



DG Internal Market and Services Management Plan 2013



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PERSONAL MESSAGE FROM THE DIRECTOR-GENERAL

The 20th anniversary of the start of the Single Market last year was an opportunity to take stock of what has been achieved so far. However, above all it enabled us to look ahead to how the Single Market can provide new sources of sustainable growth for the EU economy.

The Directorate General for Internal Market and Services is responsible for several of the key policies that can provide this growth: public procurement, which makes up a considerable part of public expenditure, and where any savings make a real difference to highly stretched public budgets; the protection and regulation of intellectual property which is key to providing the high-value and highly qualified jobs of the future; the services sector which is the largest part of the EU economy and where increases in competition and efficiency make a huge difference to the competitiveness of our economy and to providing businesses and consumers with better and cheaper services.

Work is also continuing, in cooperation with our G20 partners around the globe, to restore a safe and sound regulatory framework for financial markets. Since the start of the financial crisis five years ago, we have done a lot to reinsure that the financial sector provides an essential service to the real economy by providing sustainable and reliable funding for investment.

In 2013 delivery of the priority actions of the Single Market Act II will help to stimulate growth. Our focus will remain on building the right framework for a modern and competitive digital economy. Following the Commission's orientation debate of 5 December 2012, we will continue with an ambitious copyright work programme, following two parallel tracks. During 2013 we will run a stakeholder dialogue "Licensing Europe" which should deliver concrete solutions to specific problems. At the same time, we will continue with legal and economic studies and impact assessments, so that the Commission can decide in 2014 whether to table legislative proposals. We will put forward an initiative on the misappropriation of trade secrets and the results of a review of civil enforcement of Intellectual Property within the EU to make sure that intellectual property rights can be protected effectively and uniformly across the EU. The revision of the Trade Mark system will help businesses to innovate and, in particular, give small and medium-sized enterprises (SMEs) better trade mark protection.

The smooth functioning of the Internal Market for goods and services protected by IPRs still faces significant obstacles. The IPR sector is one of the most promising future sources of growth and jobs, so gaps in EU rules undermine the competitiveness of the EU economy. In a Communication on better valuation and utilisation of IPRs in the Internal Market, we will identify these obstacles and set out possible initiatives to eliminate them.

With public budgets under severe pressure, a more integrated EU public procurement market will create much needed efficiencies and savings. A legislative initiative on e-invoicing in the field of public procurement will help eliminate market fragmentation by improving the interoperability of national systems. It will also bring down public authorities' costs. Our comprehensive strategy for the defence sector will set out options to foster its competitiveness and efficiency.

Linking online and real economy services will create new business opportunities, better services, new jobs and growth. This is why we are putting forward a roadmap for completing the single market for parcels so that "e-tailers" and their customers have a real choice between affordable and speedy delivery options. We will also address the main obstacles facing an integrated EU market for card, internet and mobile payments by following up on our Green Paper and measures to improve the governance of the Single Euro Payments Area. An initiative on a clean and open internet will help combat online illegality.

To make the EU's financial sector more stable and safe and in line with our G20 commitment to regulate properly every financial actor, financial market, financial activity and product, we will put forward a legislative initiative on systemic risks related to shadow banking. This will reduce the systemic risks associated with activities like money market funds, securitisation, securities lending and repurchase agreements outside the traditional banking system. A review of the Directive on occupational retirement systems will ensure that appropriate structures are in place to fund retirement. Following the manipulation of the LIBOR system, we will produce a common framework for the production, calculation and governance of financial indices and benchmarks. This will enhance market confidence, efficiency and investor protection. By revising the EU Anti-Money Laundering Directive and the Regulation for the Transfer of Funds, we will continue our fight against money laundering and terrorism financing. An initiative giving all EU citizens access to a basic payment account will ensure that bank account fees are transparent and comparable, and will make switching bank accounts easier. In order to get growth going again and increase long-term investment we will put forward an initiative on providing long-term financing.

A key project in financial services in 2013 will be the building of a truly integrated EU banking union. The financial crisis has highlighted the risks associated with a fragmented supervisory structure for banks. We have witnessed an unwelcome trend towards disintegration of the EU financial markets, threatening to destroy the efficiencies of integration, because of concerns about poor supervisory systems. In addition to the follow-up to the proposal for a banking union put forward in 2012, in 2013 we will conduct an in-depth review of the European System of Financial Supervision and make proposals for changes. We will also work towards a single resolution mechanism to deal with bank failures and a framework for crisis management and resolution for financial institutions other than banks.

To deliver this very ambitious work programme, DG MARKT can count on its highly qualified, experienced and motivated staff. Knowing that the policies we prepare and negotiate can bring real improvements for citizens and businesses across the EU motivates colleagues at all levels of our organisation to produce work of the highest quality.

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.

GENERAL OBJECTIVES OF THE DG

In order to meet the goals set out in the mission statement of the DG, a number of general 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.

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

<i>Result Indicator</i>	<i>Latest known result</i>	<i>Target</i>
Value of public procurement advertised in the Official Journal in absolute figures and as a % of GDP.	<p>The value of public procurement advertised openly:</p> <ul style="list-style-type: none"> - 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). - 2011: €428, 04 billion (i.e. 3.4% of EU27 GDP)¹. <p style="text-align: center;"><i>(Source: DG MARKT, C.4.)</i></p>	Year on year increase in level of openly advertised public procurement in the Official Journal
Average transposition deficit ² .	<ul style="list-style-type: none"> - May 2009: 1%; - November 2009: 0.7%; - May 2010: 0.9 %; - November 2010: 0.9%; - May 2011: 1.2 %; - November 2011: 1.2% - May 2012: 0.9% <p style="text-align: center;"><i>(Source: DG MARKT, B3; Internal Market Scoreboard, September 2012)</i></p>	Average transposition deficit of 1% for all Member States (target agreed by the European Heads of State and Government)

¹ Most of the decrease comes from the countries currently implementing austerity policies (Spain, Italy, Portugal and the United Kingdom).

² 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.

<i>Result Indicator</i>	<i>Latest known result</i>	<i>Target</i>
Transposition delays	<ul style="list-style-type: none"> - November 2009: 9 months - May 2010: 7.1 months - November 2010: 5.8 months - May 2011: 5.5 months; - November 2011 : 7.9 months; - May 2012: 9.1 months.³ <p style="text-align: center;"><i>(Source: DG MARKT, B3; Internal Market Scoreboard, September 2012)</i></p>	Reduce transposition delays

³ In May 2011, Member States took on average an extra 5.5 months to transpose EU directives after the transposition deadline had expired, which corresponded to an overall reduction of almost 40 % in eighteen months (down from nine months in November 2009). However this positive result came with a deteriorating performance in respect of the number of outstanding directives. Today, Member States take again on average nine months extra but have managed to achieve the 1 % transposition deficit target. This increase appears to contradict the improved performance of Member States in reducing their transposition backlogs. However, it is the result of the increase in the number of long-overdue directives and the significant number of outstanding directives (twenty-two) that should have been transposed more than one year ago.

OBJECTIVE: Improve the regulation and supervision of financial markets to achieve stability and integration leading to sustainable growth		
<i>Result Indicator</i>	<i>Latest known result</i>	<i>Target</i>
Level of cross border bank lending to corporates and/or governments as a share of total bank lending	<p>The Euro area: 2009: 31.864 % 2010: 27.839 % 2011: 22.623 % Q2 2012: 21.465 %</p> <p>Rest of the EU: 2009: 6.344 % 2010: 4.957 % 2011: 4.738 % Q2 2012: 4.024 %</p> <p>(Source: European Central Bank)</p>	Increase the level of cross-border bank lending which is a sign of an integrated European banking system
Robustness of the supervisory and resolution structures in the EU (including in the Banking Union)	<p>The three European Supervisory Authorities for banking, insurance and securities (EBA, EIOPA and ESMA), together with the European Systemic Risk Board, have completed their second year of operation, showing good results (EBA recap exercise, ESMA supervision on CRAs). They will be evaluated in depth in 2013.</p> <p>(Source: DG MARKT, 02)</p>	A more effective supervisory and resolution structure promoting stability and efficiency at EU level and in the area covered by the Single Supervisory Mechanism

OBJECTIVE: Increase the EU's economic potential by opening up markets and improving their functioning		
<i>Result Indicator</i>	<i>Latest known result</i>	<i>Target</i>
Intra-EU 27 Foreign Direct Investment intensity ⁴	Intra-EU 27 Foreign Direct Investment flows: - 2007 - 4.0% of EU GDP; - 2008 - 2.3% of EU GDP; - 2009 - 2.3% of EU GDP; - 2010 - 1.0% of EU GDP; - 2011 - 2.4% of EU GDP. (Source: Eurostat, last data update on 6.06.12, extracted on 19.11.12)	Year on year increase in intensity of Foreign Direct Investment within the European Union
Trade integration of services ⁵	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 - 4.1% of EU GDP; - 2011 - 4.2% of EU GDP. (Source: Eurostat, last data update on 29.05.12, extracted on 19.11.12)	Annual increase in intra-EU trade of services

⁴ 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:

⁵ 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:

OBJECTIVE: Promote regulatory convergence and international standards through cooperation and agreement with international partners		
<i>Result Indicator</i>	<i>Latest known result</i>	<i>Target</i>
State of play of negotiations of trade agreements and regulatory dialogues focusing on market access, regulatory convergence and equivalence decisions granted to third country regimes	<p>Negotiations on-going with 8 third countries and scoping exercises launched with several others.</p> <p>G20/Financial Stability Board (FSB) process fostering greater convergence in financial regulation. Need in particular to ensure consistent global implementation of common standards related to banks (Basel III agreement) and on OTC derivatives.</p> <p><i>(Source: MARKT.B4)</i></p>	International consistency of single market rules through negotiation of trade agreements and regulatory dialogues focusing on market access, regulatory convergence and equivalence decisions granted to third country regimes

DG MARKT's POLICY FIELDS

INTERNAL 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 presented by the Commission in April 2011 is our immediate response to this challenge. Given the urgency of the crisis, the Commission announced in the Single Market Act II a second set of priority actions. These actions are designed to generate real effects on the ground and make citizens and businesses confident to use the Single Market to their advantage.

If implemented swiftly, the Single Market Act II, together with the delivery of the Single Market Act I, will open new paths towards growth, employment and social cohesion for 500 million Europeans. It will show the determination of Europe to create new growth through a common agenda to exit the crisis.

SPECIFIC OBJECTIVE: Deliver on the Single Market Act II and promote the development of social business

<i>Result Indicators</i>	<i>Latest known results</i>	<i>Target</i>
Delivery of Single Market Act II (SMA II) commitments, in particular the 12 key priorities for growth and jobs	Commission to deliver on the 12 key priorities by spring 2013 - reporting to take place throughout 2013.	Adoption by the Commission of the legislative proposals on the 12 key priorities in SMA II by spring 2013 and the non-legislative proposals by end 2013
Adoption of SMA I key priorities by co-legislator	Co-legislator to deliver on 11 of the 12 key priorities in SMA I - 5 before end of 2012.	Co-legislator to adopt the remaining 11 key priorities in SMA I in 2013 at the latest

Main policy outputs for 2013

- Coordinate the preparations leading to the adoption by the Commission of the 12 key priorities for growth and jobs in the *Single Market Act II*. This work involves close monitoring of the on-going work to prepare the draft proposals in the DGs, reporting on problems, providing information and assist in overcoming obstacles for rapid adoption, in particular as regards the key priorities from DG MARKT.
- Ensure progressive implementation of the *Action Plan to support Social Business* to support and promote the development of social business with a view to create sustainable growth and jobs.

- Develop a methodology to measure the socio-economic benefits created by social enterprises in order to demonstrate that the money invested in social enterprises yields high savings and income (e.g. taxes or jobs created).

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

<i>Result Indicators</i>	<i>Latest known results</i>	<i>Target</i>
Number of visits to the Your Europe website	Your Europe Citizens had 10,400 daily visits on average in October 2012 (5000 daily visits on average in October 2011 and 1400 daily visits on average in October 2010).	Further increase the use of the Your Europe website by at least 20% by end 2013
Number of enquiries submitted to Your Europe Advice (YEA)	1400 average number of monthly requests treated by YEA for 2012 (by November 2012) 1100 average number of monthly requests treated by YEA in 2011.	Consolidate the use of Your Europe advice at the current high level, whilst further increasing the quality of replies through more training and a new feedback system
Number of enquiries submitted to SOLVIT	Around 1300 cases per year, 14% of which concern businesses. These results have been stable over the last years.	Increase the use of SOLVIT: number of enquiries submitted to SOLVIT to increase by 10% by end 2013
Use of SOLVIT to handle complaints received by the Commission	Currently, only a limited number of Commission services send the complaints they receive to SOLVIT (approx. 1 % of SOLVIT cases has started as a complaint sent to the Commission).	At least double the use of SOLVIT to handle complaints received by the Commission by end 2013
Number of Commission services cooperating on Your Europe	Your Europe Citizens contains information managed by policy units in 7 Directorates General.	Increased use by the Commission of Your Europe as a tool to communicate to individuals and businesses about their rights and how to make use of them

Main policy outputs for 2013

- Based on the work carried out in 2012, deliver a new *Commission Recommendation on the use and functioning of SOLVIT* to modernise SOLVIT's legal basis, set out its mandate and functioning.
- Deliver an *Action Plan on Access to information on EU rights* setting out the role of Your Europe in informing about EU rights and exploring ways to better link Your Europe with the information available at national level.
- Put in place and maintain a new tool for managing content in Your Europe, on the basis of a more efficient cooperation by all authorities involved.
- Implement a new visibility strategy for SOLVIT to ensure a better reach-out of SOLVIT.
- Deliver a *Governance Health-Check report* to obtain feedback "on the ground" for policy purposes.
- 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.

SPECIFIC OBJECTIVE: 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>Result Indicators</i>	<i>Latest known results</i>	<i>Target</i>
Percentage of impact assessments cleared by the Impact Assessment Board (IAB) at first reading	In the first 10 months of 2012, 57% of DG MARKT's impact assessments were cleared at first reading (4 out of 7), compared to 41% Commission average.	80% of IA cleared by the Impact Assessment Board at first reading by end 2013
Number of in-depth economic analyses conducted before the impact assessment process is launched	7 projects were launched in the first 10 months of 2012.	In 2013, launch 10 new projects of in-depth economic analyses before starting the impact assessment process
Number of countries covered by the Country Knowledge project	3 pilot countries (Estonia, Italy, Hungary)	Extend the Country Knowledge project to other Member States of interest for the DG
Number of impact assessments analysed in Member of IAB capacity (Board Assessors Team)	34 in the first 10 months of 2012	Maintain a 50 annual average of impact assessments analysed in Member of IAB capacity (Board Assessors Team) to strengthen the Single Market perspective in the deliberations of the IAB

Main policy outputs for 2013

- Assist in the preparation of high quality impact assessments to support and increase the quality of DG MARKT'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.
- Coordinate the Country Knowledge exercise within DG MARKT intended as input for EU 2020 Country specific recommendations (CSRs), as an evidence base for horizontal policies, as well as for infringement prioritisation.
- Deliver a *Single Market Integration Report* to strengthen the Internal Market pillar of the European Semester process.
- Participate in the Board Assessors Team to strengthen the Single Market perspective in the deliberations of the Impact Assessment Board.

Main expenditure-related outputs in 2013

- *Eurobarometer 2013* in a follow-up to previous two editions (2009, 2011) to obtain direct citizens' feedback about Single Market in general and for specific policies currently subject to a legislative process.
- Technical support to Impact assessment and evaluation.
- Economic research to support Single Market policies for growth and jobs.

SPECIFIC OBJECTIVE: Ensure the rule of law and correct implementation of Single Market legislation in Member States

<i>Result Indicators</i>	<i>Latest known results</i>	<i>Target</i>
Average transposition deficit for DG MARKT Directives	2010: 3.1% 2011: 3.2% 1,2 % by November 2012	Maximum of 1% transposition deficit for all Member States ⁶
Number of complaints still open in CHAP 12 months after their registration	64 by November 2012	Steady decrease in the number of complaints still open in CHAP 12 months after their registration
Number of infringement cases still open three years after the sending of a letter of formal notice	42 by November 2012	Steady decrease in the number of infringements cases still open three years after the sending of a letter of formal notice ⁷

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

⁷ Except Justified Slow Progress cases and cases for which a "saisine" has been decided

Number of Commission decisions on formal infringement cases	10.3% in November 2012	On average, more than 12% of pending cases subject to Commission decision each month
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Main policy outputs for 2013

- 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, package meetings and other events related to the Single Market Governance in the Member States.
- Streamline the DG MARKT's enforcement policy and the management of infringements in the light of the Commission's Communication on the better Governance for the Single Market.
- Coordinate the questions related to data protection, demands to access to documents, petitions, requests from the European Ombudsman to ensure the full respect of citizens' rights.
- Manage and coordinate the management of complaints for breach of single market rules to improve the assistance given to citizens and business on the application of EU law.

Main expenditure-related outputs in 2013

- Launch *transposition checks of Internal Market Directives* to improve the quality of transposition in Member States.

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

<i>Result Indicators</i>	<i>Latest known results</i>	<i>Target</i>
Number of authorities within IMI active in the Professional Qualifications legal area	October 2010 - September 2011: 356; October 2011 - September 2012: 428 (20 % increase)	10% increase in number of authorities within IMI active in the Professional Qualifications legal area by September 2013
Number of information exchanges within IMI concerning Professional Qualifications	October 2010 - September 2011: 1980; October 2011 - September 2012: 2842 (45 % increase)	25% increase in number of information exchanges within IMI concerning Professional Qualifications by September 2013
Number of authorities within IMI active in the Services legal area	October 2010 - September 2011: 317; October 2011 - September 2012: 299 (6 % decrease)	10% increase in number of authorities within IMI active in the Services legal area by September 2013

Number of information exchanges within IMI concerning Services	October 2010 - September 2011: 329; October 2011 - September 2012: 376 (15 % increase)	25 % increase in number of information exchanges within IMI concerning Services by September 2013
Number of active authorities within IMI for the Posting of Workers Directive	October 2011 - September 2012: 83 (pilot project launched in May 2011)	10 % increase in number of active authorities within IMI for the Posting of Workers Directive by September 2013
Number of information exchanges within IMI for the Posting of Workers Directive	October 2011 - September 2012: 772 (pilot project launched in May 2011)	25 % increase in number of information exchanges within IMI for the Posting of Workers Directive by September 2013

Main policy outputs for 2013

- Deliver a *Single Market Governance Report on-line* to provide a user-friendly annual overview to the European parliament, Member States and other stakeholders about the state of governance of single market law base on concrete governance tools.
- Work towards a *Communication on future IMI governance* to set out the strategy for future management of IMI as a generic corporate tool for administrative cooperation in Single Market policy areas.
- Coordinate and prepare the extension of IMI to other legal areas.

PUBLIC PROCUREMENT

The public sector is the largest consumer in the economy. In 2010, public authorities in the EU spent over € 2'400 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.

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

<i>Result Indicator</i>	<i>Latest known results</i>	<i>Target</i>
Number of bids for procedures published in Tenders Electronic Daily	Currently there are on average 5 bids for procedures published in Tenders Electronic Daily.	Sustain level of competition (i.e. number of bids) for public procurement opportunities covered by the directives
Percentage of contracts awarded to SMEs	Currently 39% of contracts above the directive's thresholds are awarded to SMEs. More recent data will be available in Q4 2013, once the study on SME access to public procurement markets and aggregation on demand is completed.	Sustain percentage of contracts above the directive's thresholds awarded to SMEs
Percentage of contracts advertised in Tenders Electronic Daily awarded to suppliers established in another Member State	1.33% (by number) of contracts advertised in Tenders Electronic Daily are awarded to suppliers established in another Member State.	Increase cross-border contract awards to promote integration of procurement markets
Percentage of procurement procedures (tender submission) completed online	Currently, an average of 5%-10% of procurement procedures is completed online across the EU. This	Mandatory e-submission of all procurement procedures (with limited exceptions) by mid-2016

	figure is only an estimate. Work is underway to define more robust indicators of e-procurement take-up.	as per the proposal to modernise the public procurement directives-currently under negotiation
Proportion of contract notices published in Tenders Electronic Daily (TED) to all contract notices advertised EU-wide.	In 2008-2010, 1,840 contract notices for the purchase of arms, ammunition and war material (and related services and works) were published EU-wide. Their total value was estimated at €8.8 billion at 2010 prices, equivalent to 3.4 per cent of the EU's total defence procurement expenditure during that period. Of these contract notices, roughly 50% by value were published in TED (and therefore awarded following the procedures of Directive 2004/18), the rest on the Electronic Bulletin Board of the European Defence Agency (and therefore exempted from the Directive by virtue of Article 346 TFEU).	In the medium term, all contract notices that are published EU-wide should be published in TED

Main policy outputs for 2013

- As indicated in the Commission Work Programme 2013, propose:
 - *Initiative on E-invoicing in the field of public procurement* to promote the take-up and inter-operability of e-invoicing in the public sector throughout the EU.
 - *Communication on a comprehensive strategy to strengthen Europe's defence sector* to set out options to foster the competitiveness and the efficiency of the European defence sector through a consistent and integrated use of EU policies that have an impact on defence.
- Following the adoption in 2011 of the proposals for the revision of the public procurement framework (Directives 2004/17/EC and 2004/18/EC), continue the on-going negotiations in Council and Parliament to complete the codecision procedure and have the new Directives adopted in 2013.
- Continue the on-going work with Council and Parliament with a view to the adoption of the Directive on concessions, as required by the Single Market Act I.
- Prepare the work with a view to the formal adoption of the Report on the

application of the Directive on remedies in 2014.

- Deliver an Annual Implementation Report 2013 (Commission Staff Working Paper), stating the main trends identified in the field of public procurement in the last months.
- Revise the thresholds of the procurement directives in order to comply with the EU's obligations under the WTO Government Procurement Agreement.

Main expenditure-related outputs in 2013

- Study on SME access to public procurement markets and aggregation of demand.
- Study on economic and legal dimension of review and remedies procedures in public procurement.
- Study on best practices and value for money in public procurement.

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

<i>Result Indicator</i>	<i>Latest known results</i>	<i>Target</i>
Average transposition deficit for all relevant directives ⁸	2010: 0.4% (9 Directives) 2011: 5.9% (10 Directives) 01/01/2012 - 7/11/2012: 1.5% (10 Directives)	Maximum of 1% transposition deficit for all Member States
Number of complaints still open in CHAP 12 months after their registration	2010: 3 2011: 11 01/01/2012 - 7/11/2012: 14	Steady decrease in the number of complaints still open in CHAP 12 months after their registration
Number of infringement cases ⁹ still open three years after the sending of a letter of formal notice	2010: 9 2011: 6 01/01/2012 - 7/11/2012: 7	Steady decrease in the number of infringements cases still open three years after the sending of a letter of formal notice
Number of cases closed using alternative problem solving mechanisms (e.g. SOLVIT, EU PILOT, modification of draft laws)	SOLVIT 2011: 0 01/01/2012 - 1/10/2012: 0	Increase in number of cases solved using alternative redress mechanism, year on year

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

⁹ Except Justified Slow Progress cases and cases for which a "saisine" has been decided

	<p>EU Pilot</p> <p>2010: 31</p> <p>2011: 29</p> <p>01/01/2012 – 1/10/2012: 45</p>	
<p><i>Main policy outputs for 2013</i></p>		
<ul style="list-style-type: none"> • 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 inquiries 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. • Prepare Commission decisions on granting exemptions from Utilities Directive (article 30, 2004/17) to ensure legal security. • Publication of the Commission's First Annual Report on e-procurement to maintain political momentum of e-procurement implementation. • Develop a robust economic framework to assess the economic impact of public procurement rules, including indicators. This framework would provide the basis for a future Communication on the economic impact of Public Procurement. • 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. • 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. • 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). 		

KNOWLEDGE-BASED ECONOMY

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. We must make sure that this framework continues to foster innovation and through innovation growth and job creation.

There is still no unitary European patent available to companies and there is also no single specialised patent jurisdiction in Europe. The resulting costs and complexity hamper access to the patent system for SMEs and create a competitive disadvantage for European inventors.

The development of the internet offers new opportunities for the distribution of copyright protected content. The legal framework should enable new business models that allow for more content to be distributed to more citizens in the single market, thereby allowing creators to monetise their creations and invest in new books, music and films. The internet is an opportunity for citizens and creators alike. The European framework (contractual where possible, regulatory where necessary) should enable all actors to avail themselves of the new opportunities, thereby also enhancing cultural diversity and broad access to Europe's cultural heritage.

Both the Community Trade Mark Regulation and the Trade Mark Directive harmonising the law on national trademarks are currently under review, with the aims of simplification and modernisation.

Last but not least, it is important to ensure that legitimate business models (and the jobs depending on them) which are based on patents trademarks and copyright are protected from free riding. The European Observatory on Counterfeiting and Piracy will provide objective data and analysis on how civil enforcement of intellectual property rights in the European Union can be enhanced. The Memorandum of Understanding on the sale of counterfeit goods on the internet is an example of such a strategy.

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

<i>Result Indicator</i>	<i>Latest known results</i>	<i>Target</i>
Number of on-demand services available	366 video on demand services available in the EU in 2008 (EAO/JRC); at least 4 online music services per MS (ifpi)	Increase number of video on demand services by 10% by 2015 Attain at least 8 online music services per MS by 2016
Cultural heritage available online (in particular print and audiovisual)	One national audiovisual portal, one licensing agreements for the making available of print works online	Industry to reach voluntary licensing agreements for 6 audiovisual portals; and 8 agreements (with public

	(implementation of the MoU on Out-of-Commerce books)	or private institutions) for making print works available online by 2015
The availability of content services cross-border	35% of broadcasters provide cross-border access to part of their online services; 0 music services available across borders; 4 VoD platforms with multi-territorial availability; 50% services portable across borders.	50% broadcasters provide cross-border access to part of their online services; 5 music services available cross-border; 8 multi-territorial VoD platforms, 75% services portable across border by 2015
Meaningful incentives for creation and for content production	Copyright-based creative industries contribute 3.3% to the EU GDP (2006). (EU Competitiveness Report) Approximately, book publishing 24 billion € (FEP), music market 6 billion € (ifpi), audiovisual sector 120 billion € (EAO).	Copyright-based industries are able to monetise content in the digital environment, at least maintaining revenues at current levels.
Number of enterprises (predominantly SMEs) making use of IPRs	A study on the impact of IP-intensive industries on the EU's economy is currently being carried out. It is possible to illustrate the importance of IPR indicating that according to USPTO (2012) 35% of US GDP and 28% of employment can be traced to IP-	Further increase in number of IPR granted and wider investment in innovation. Europe 2020 set a target of 3% of the EU's GDP to be invested in R&D

¹⁰ There are also TM incentives, e.g. a firm that is TM active has 20% more jobs than a similar firm that is not TM active and they grow about 6% faster than average (TM Incentives, Greenhalgh, Rogers, Schautschick&Sena, July 2011). The intangible-tangible investment ratio still differs from one MS to another, e.g. in the UK it is 1, 64, in Sweden 1, 23 but in Slovak Republic it is only 0, 23. There should be noticed that the unitary IPR are getting more and more popular, e.g.: There is a constant growth in CTM (Community Trade Mark) and RCD (Community Designs) applications filed:
 - CTM: in 2009 - 88217, in 2010 - 98313, in 2011 -105857,
 - RDC: in 2009 - 71608, in 2010 - 74874, in 2011 - 78632.

In September 2011 the millionth CTM application was filed. In 2011 there was a 4% growth of the patent application in comparison to 2010 at the European Patent Office (the highest number ever in its history). Unfortunately only 34, 4 % of the applications came from the MS of the EU (the majority was filed by USA, Japan and China).

	<p>intensive industries¹⁰.</p> <p>The EU27 has experienced an improvement in its innovation performance over the last five years. Growth is particularly strong in Intellectual assets (source: Innovation Union Scoreboard 2011).</p>	
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Main policy outputs for 2013

- Continue the work on the *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.
- Produce a *Communication on a road map for the future of copyright* to devise solutions to modernise the copyright regulatory framework to facilitate the completion of the digital single market.
- Follow up to the road map communication - *Industry Licensing Forum* to promote industry-level agreements on the licensing of content protected by copyright with the objective of bringing content online.
- Start working on a possible *Review of the 2001 Information Society Directive*.
- Develop work in order to contribute the development of a general EU policy on IPR.
- Under the 'Innovation Union' flagship initiative, continue working towards the creation of unitary patent protection and the creation of a specialised Unified Patent Court.
- 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.
- Examine the feasibility study on geographical indication protection for non-agricultural products in the internal market.
- Negotiate in Council and European Parliament the *Directive on collective rights management*, which will provide for greater transparency and for an EU-wide licensing structure for music.
- Monitor implementation of the *Orphan Works Directive*, including the establishment of the single EU registry of Orphan Works.
- 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 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.

- Follow-up on the private copying levies mediation process, aiming at reviewing the functioning of the system of private copying levies to ensure its functioning is adapted to the Single Market and does not hamper the development of new business models.
- Deliver a *Communication on a better valuation and utilisation of intellectual property rights in the Internal Market with a view to* improving the smooth functioning of the Internal Market by providing tools that would encourage investment in research and development of innovative products and technologies.

Main expenditure-related outputs in 2013

- Study on the economic health check on the EU legislation on Designs.
- Feasibility study on the protection of utility models in Europe.
- Study on the harmonisation of substantive copyright law.

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

<i>Result Indicator</i>	<i>Latest known results</i>	<i>Target</i>
Level of dissuasive successful EU cross-border civil actions against commercial scale infringers	Data will begin to be collected from the Observatory on IP infringements during 2013 as well as from the proposed MS Expert Group on IP enforcement.	Increase level of dissuasive successful EU cross-border civil actions against commercial scale infringers from an (expected) current very low level over the coming three to four years which would then stabilise to have the required dissuasive effect on IP infringements
Level of cross-border cooperation in anti-counterfeiting and piracy actions by national enforcement bodies	The EU observatory on IP infringements has already through its work established one cooperation network between national enforcement authorities with regard to awareness campaigns. We would expect the number of such thematic cooperation frameworks to increase over time as the Observatory and the Expert Group on IP enforcement come on	Increase level of cross-border cooperation in anti-counterfeiting and piracy actions by national enforcement bodies

	stream. Data will begin to be collected from the Observatory on IP infringements during 2013 as well as from the proposed MS Expert Group on IP enforcement.	
Number of signatories to EU MoUs seeking to fight against counterfeiting and piracy.	MoU on counterfeit sales on line involves 18 companies and 15 Trade associations.	More signatories joining the existing MoU in 2013 and some 15 to 20 further companies and organisations getting involved in preventive measures against counterfeiting regarding payments and advertising brokers
Number of stakeholder dialogues seeking to fight against counterfeiting and piracy.	1 stakeholder dialogue preceded the MoU in 2011.	Launch at least 2 stakeholder dialogues in 2013

Main policy outputs for 2013

- As indicated in the Commission Work Programme for 2013, deliver *an Initiative on protection of trade secrets/confidential business* information to improve cross-border civil redress against the misappropriation of confidential business information within the EU.
- Review 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.
- Prepare a Communication on anti-counterfeiting action plan to improve our understanding of the impact on employment of IPR infringements within the European economy, as well as to build a partnership with public and private stakeholders to fight counterfeiting and piracy.
- Produce a Report on civil enforcement of IP within the Internal Market.
- Report on the functioning and application of the Memorandum of Understanding on the Sale of Counterfeit Goods via the Internet.
- Start regulatory dialogues involving advertising brokers and payment service providers on the extension of the MoU against the selling of counterfeits on-line.

SPECIFIC OBJECTIVE: Ensure correct implementation and effective enforcement of EU rules on intellectual property		
<i>Result Indicator</i>	<i>Latest known results</i>	<i>Target</i>
Average "transposition deficit" ¹¹ for all relevant Directives	2011: 0 % (12 Directives) 01/01/2012 – 7/11/2012: 0% (12 Directives)	Maximum of 1% transposition deficit for all Member States
Number of complaints still open in CHAP 12 months after their registration	2010: 0 2011: 2 01/01/2012 – 7/11/2012: 0	No complaints still open in CHAP 12 months after their registration
Number of infringement cases ¹² still open three years after the sending of a letter of formal notice	2010: 2 2011: 0 01/01/2012 – 7/11/2012: 1	No infringements cases still open three years after the sending of a letter of formal notice
Number of cases closed using alternative problem solving mechanisms (e.g. SOLVIT, EU PILOT, modification of draft laws)	SOLVIT 2011: 5 01/01/2012 – 1/10/2012: 1 EU Pilot 2011: 0 01/01/2012 – 1/10/2012: 1	Increase in number of cases solved using alternative redress mechanism, year on year
Main policy outputs for 2013		
<ul style="list-style-type: none"> • 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. • Manage preliminary cases before the CJEU in the area of copyright. • Set up an expert group on the enforcement of intellectual property rights in the internal market that will identify existing loopholes in the EU acquis and national measures that could be allowing for the sale of counterfeit pharmaceuticals within the Internal Market. 		

¹¹ 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

¹² Except Justified Slow Progress cases and cases for which a "saisine" has been decided

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, in particular through an ambitious implementation of the Services Directive. Our efforts will focus on: business services, construction, tourism and retail. We will also work to remove obstacles to cross-border provision of services as well as establishment and to promote the availability of high quality and innovative services, including postal services and e-commerce, throughout the EU.

We will try to make the Single Market in services more of a reality for citizens and SMEs by challenging unjustified restrictions based on nationality or residence and pushing for an integrated parcel market to support e-commerce needs. We will also work to give businesses access to updated, user-friendly information on regulation of services throughout the EU and continue on-going negotiations to provide a modern and more efficient framework for free movement of qualified professionals.

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

<i>Result Indicators</i>	<i>Latest known results</i>	<i>Target</i>
Share of consumers using cross borders services	Only 12% of consumers shopping online buy from a website in another country, while 60% of cross borders internet orders are refused because the retailer does not offer means of cross-border payment or does not sell or deliver in the consumer's country of residence. <i>(Source: The Consumer Scoreboard, 3rd edition and DG SANCO's 2009 study by YouGovPsychonomics¹³)</i>	Year on year increase of share of consumers using cross borders services, in particular with regards to e-commerce
Number of fully-functional Points of Single Contact (PSCs)	All Member States have first generation PSC's though there is great disparity as regards quality, complete-ness,	Increase of the number of fully-functional Points of Single Contact (second-generation PSCs), going beyond the obligations of

¹³ No more recent data available.

	user-friendliness and the availability of on-line procedures. All existing PSCs are first generation.	the Services Directive to cover the whole business cycle and serve the needs of businesses, especially SMEs
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Main policy outputs for 2013

- Pursue 0-tolerance policy vis-à-vis Member States which are in breach of strict obligations of the Services directive.
- Engage with Member States by way of a peer review, on legal form and shareholding requirements, fixed tariffs and the freedom to provide services clause of the Services Directive.
- Work towards the implementation of Article 20(2) of the Services Directive by engaging with national bodies (article 21 bodies) responsible for providing assistance to service recipients.
- Deliver further guidelines on the implementation of Article 20(2).
- Promote the further development of the Points of Single Contact (PSCs) into "second generation PSCs" and raise awareness of PSCs in order to serve the needs of businesses.
- Assess difficulties to cross-border insurance coverage for service providers and explore pragmatic solutions with industry.
- Provide input in the EU Semester by deepening country knowledge.

Main expenditure-related outputs in 2013

- Assessment of Points of Single Contact.

SPECIFIC OBJECTIVE: Promote the innovative, online and safe supply of services in the single market

<i>Result Indicators</i>	<i>Latest known results</i>	<i>Target</i>
Share of e-commerce in total retail	In 2010, e-commerce accounted for 3.4% of total retailing.	6.8% share of e-commerce in total retail by 2015
Contribution of the internet economy to EU GDP	In 2010, the internet contributed about 3% to EU GDP.	6% contribution of the internet economy to EU GDP by 2015

Main policy outputs for 2013

- Deliver an *Initiative on notice and action procedures* to increase the legal certainty for hosting service providers, to speed up the removal of illegal content and to avoid the takedown of legal content.
- As follow-up to the 2012 Action Plan on a "coherent framework for building trust in the Digital Single Market for e-commerce and online services", deliver a *progress report* and organise a stakeholder conference.
- Prepare a *Roadmap for completing the single market for parcels* in order to

provide "e-tailers" and their customers with a sufficient choice between alternative delivery options that are affordable, accessible, reliable, and that meet individual needs in terms of speed and transparency.

- As follow-up to the Action Plan on online gambling, prepare *Recommendations to Member States on common protection of consumers and on responsible gambling activities*, and work towards a *Recommendation to Member States setting out best practices on preventing and combatting betting related match fixing*.
- Follow-up to the European Retail Action Plan (ERAP) by implementing the measures within the remit of DG MARKT and monitoring the progress achieved in the implementation of the actions within the remit of other Commission services.
- Work towards assessing all options available in order to address the issue of unfair trading practices in the retail supply chain.
- Contribute to the formulation of a European policy related to services standardisation in order to improve the quality of service provision in the EU and to reduce fragmentation of the market.
- Establish a High Level Group on Business Services to identify the current challenges in the business services sector and propose ways to improve its level of productivity.

Main expenditure-related outputs in 2013

- Prospective study on the impact of an integrated EU delivery market responding to the demands of growing e-commerce to provide strong economic evidence supporting the follow-up to the Roadmap for completing the single market for parcels.
- Study on the role of regulators for online gambling to gather evidence that will support the process of enhanced administrative co-operation between Member States.
- Study on Commercial Establishment through the 27 Member States: Freedom of Establishment, Regulations, Restrictions and Impact – State of play and impact.
- Feasibility study for a dedicated data base containing all EU and domestic food labelling rules and providing a simple way to identify concrete labelling requirements per product.
- Study on national rules on business-to-business unfair commercial practices in order to map up various national provisions that regulate some practices in business-to-business relationships to ensure their fairness.
- Establish a "Group on Retail Competitiveness".

SPECIFIC OBJECTIVE: Facilitate free movement of qualified professionals inside the EU

<i>Result Indicators</i>	<i>Latest known results</i>	<i>Target</i>
Amount of positive decisions on recognition of qualifications as a percentage of the total number of recognition requests	2010: 83% of recognition requests reached a successful outcome. 2011: 79% of recognition requests reached a successful outcome.	Maintain a high percentage of positive decisions on the recognition of professional qualifications requests

Main policy outputs for 2013

- As indicated in the Commission Work Programme 2013, deliver a *Communication on regulated professions* to devise a methodology for facilitating the mutual evaluation exercise foreseen in the proposal modernising the Professional Qualifications Directive.
- As follow-up to the Commission proposal on Modernisation of the Professional Qualifications Directive aimed at facilitating the free movement of professionals in the EU, work in the EP and in the Council in the context of the legislative process and work towards introduction of the European Professional Card.
- *Review Annex IV of the Professional Qualifications Directive* on the basis of the study conducted in 2012.
- Update *Annex V of the Professional Qualifications Directive* by adding new qualifications to facilitate migration of professionals in the framework of automatic recognition.
- Initiate the review of justification for regulating professions, including the related qualification requirements, in cooperation with Member States.
- 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.
- Provide assistance for the implementation of Memoranda of Understanding by Member States (Greece, Portugal, and Cyprus) to facilitate structural reforms.
- Review country specific recommendations under the European semester regarding AT, CY, DE, ES, FR, IT, PL and SI.

Main expenditure-related outputs in 2013

- Organise a conference on the results of the study on the Lawyers' Directives to provide a structures stakeholders consultation and discussion forum on the evaluation of the Lawyers' Directives.

SPECIFIC OBJECTIVE: Ensure correct implementation and effective enforcement of EU rules on services and the free movement of qualified professionals		
<i>Result Indicators</i>	<i>Latest known results</i>	<i>Target</i>
Average transposition deficit for all relevant directives ¹⁴	2011: 1.9% for services (6 Directives) 0% for regulated professions (7 Directives) 01/01/2012 – 7/11/2012: 0% for services (6 Directives) 0% for regulated professions (7 Directives)	Maximum of 1% transposition deficit for all Member States
Number of complaints still open in CHAP 12 months after their registration	2010: 11 2011: 35 01/01/2012 – 27/11/2012: 50	Steady decrease in the number of complaints still open in CHAP 12 months after their registration
Number of infringement cases ¹⁵ still open three years after the sending of a letter of formal notice	2010: 27 2011: 25 01/01/2012 – 7/11/2012: 28	Steady decrease in the number of infringements cases still open three years after the sending of a letter of formal notice
Number of cases closed using alternative problem solving mechanisms (e.g. SOLVIT, EU PILOT, modification of draft laws)	SOLVIT 2011: 194 cases in total (services: 29 cases, free movement of qualified professionals: 165 cases) 01/01/2012 – 31/10/2012 : 163 cases in total (services: 25 cases, free movement of qualified professionals: 138 cases) EU Pilot 2010: 13 cases in total (services: 1 case, free movement of qualified	Increase in number of cases solved using alternative redress mechanism, year on year

¹⁴ The "transposition deficit measures the percentage of DG MARKT directives not yet communicated to the Commission as having been transposed into national law, in relation to the total number of directives which should have been transposed

¹⁵ Except Justified Slow Progress cases and cases for which a "saisine" has been decided

	<p>professionals: 12 cases)</p> <p>2011: 10 cases in total (services: 5 cases, free movement of qualified professionals: 5 cases)</p> <p>01/01/2012 – 31/10/2012: 23 cases in total (services: 12 cases, free movement of qualified professionals: 11 cases)</p>	
% of postal items delivered within the time limit D+3	94.1% in 2011 (figures for EU27 without Bulgaria, but including Iceland, Norway and Switzerland)	<p>85% of postal items of the fastest standard category delivered within the time limit of D+3¹⁶</p> <p><i>While several bilateral flows as well as the EU average already clearly exceeded this target, a number of bilateral flows are still way below the target. The objective is to reach this target across the board.</i></p>
% of postal items delivered within the time limit D+5	98.7% in 2011 (figures for EU27 without Bulgaria, but including Iceland, Norway and Switzerland)	<p>97% of all postal items delivered within the time limit D+5¹⁷</p> <p><i>While several bilateral flows as well as the EU average already clearly exceeded this target, a number of bilateral flows are still way below the target. The objective is to reach this target across the board.</i></p>

Main policy outputs for 2013

- 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

¹⁶ Time limit according to the quality standard for intra-Community cross-border services (laid down in the Annex II to the Postal Services Directive). "D" represents the date of deposit and "n" the number of working days between the posting and the delivery.

¹⁷ Time limit according to the quality standard for intra-Community cross-border services (laid down in the Annex II to the Postal Services Directive). D represents the date of deposit and in the number of working days between the posting and the delivery.

Member States (Greece, Portugal, Cyprus and Romania) to facilitate structural reforms.

- Monitor the correct and timely implementation of the Postal Services Directive by Member States.
- Report to the Council and the European Parliament on the application of the Postal Services Directive.

FREE MOVEMENT OF CAPITAL, COMPANY LAW AND CORPORATE GOVERNANCE

The economic crisis has further strengthened the need to ensure that the Internal Market remains an open and attractive place for both EU and third country investors. We also need to continue to improve the business environment across the EU for investors, shareholders and companies in order to generate growth and jobs. It is essential to provide for 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.

SPECIFIC OBJECTIVE: Contribute to the competitiveness of business, and in particular SMEs, by developing efficient EU company law and corporate governance rules and by providing a sound framework to combat money laundering

<i>Result Indicator</i>	<i>Latest known results</i>	<i>Target</i>
Reduction in administrative burdens in the area of company law	32% of administrative burdens reduction in 2009. (The figure is based on a high level of aggregation of effects of several directives on financial reporting and company law.)	Further reduction by 10% in administrative burdens in company law once the Business Registers Directive is implemented (at the latest by mid-2017)

Main policy outputs for 2013

- Deliver a *Review of the Directive on the exercise of certain rights of shareholders in listed companies* to provide incentives for long-term oriented shareholders' engagement.
- Propose a *Recommendation on enhancing the EU corporate governance framework* to improve the functioning of the 'comply or explain' approach within the EU corporate governance framework and enhance the quality of corporate governance explanations provided by companies departing from corporate governance codes provisions.
- Launch an information campaign on the European Company Statute to increase awareness of companies and their legal advisors about the Statute for a European Company.
- Follow-up to the Commission's Report on the application of the Takeover Bids Directive to improve the legal certainty for the parties concerned and the effective exercise of shareholder rights.
- Prepare implementing acts for the Business Registers Directive and technical work to facilitate communication and cooperation on cross-border mergers and branches and to help citizens and other interested parties to find Europe-wide

company information.

- 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.
- Codify major *Company Law Directives* to provide more user-friendly EU company law framework and to reduce the risk of inconsistency.
- Adopt and negotiate the *Commission proposal on Revision of the third Anti Money Laundering Directive* aimed at adapting EU rules to new threats and market developments as well as a proposal to revise the Fund Transfers Regulation.

Main expenditure-related outputs in 2013

- Launch a Cross-border Mergers Directive Study to gather and analyse data on use of the Directive in the Member States.
- Carry out technical work on interconnection of business registers following the adoption of directive 2012/17.
- Organise a *Conference on Anti Money Laundering* to provide a forum for exchange of views with stakeholders.

SPECIFIC OBJECTIVE: Ensure comparability and transparency of company accounts throughout the EU

<i>Result Indicator</i>	<i>Latest known results</i>	<i>Target</i>
Number of EU companies using International Financial Reporting Standards (IFRS)	In 2012 approximately 9000 EU companies use IFRS.	Improve comparability and transparency of company accounts by increased number of EU companies using IFRS
Number of countries using IFRS	Currently approximately 125 countries use IFRS	Improve comparability and transparency of company accounts by increased number of countries using IFRS

Main policy outputs for 2013

- Following the adoption of the Initiative on disclosure of non-financial information by companies, aimed at further increasing the number of European enterprises fully integrating sustainability and social and environmental responsibility into their core strategies and operations in a more transparent way and increase transparency on diversity policy, pursue agreement at EU level through negotiations with the European Parliament and the Council.
- Following the adoption of the Review of the Accounting Directives, 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.

- 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.
- Proceed with an in-depth evaluation of the Regulation on the application of international accounting standards (IAS) to produce detailed quantitative data on the benefits and cost faced by EU listed companies having applied IFRS until now and to identify possible ways of improving the system.

Main expenditure-related outputs in 2013

- Study on the impacts of the IFRS in the EU.
- Commission proposal on the funding of the IFRS Foundation, EFRAG and PIOB for the period 2014-2020.

SPECIFIC OBJECTIVE: Ensure a competitive market in audit and in credit rating agencies, improve quality of audit and ratings and contribute to creating an effective regulatory and supervisory framework for credit rating agencies

<i>Result Indicator</i>	<i>Latest known results</i>	<i>Target</i>
Number of EU countries applying the International Auditing Standards (ISAs)	In November 2012, 20 Member States had fully endorsed the clarified ISAs (16 in 2011).	Promote convergence and high quality international standards for auditing in all Member States by further increasing the number of MS applying the ISAs

Main policy outputs for 2013

- Following the Commission's proposals for a Revision of the Statutory Audit Directive and a Regulation on specific requirements regarding statutory audit of public-interest entities, carry out the negotiations with the European Parliament and the Council for a timely adoption of the new legislative framework.
- Report regarding the feasibility of a network of smaller credit rating agencies including an evaluation of financial and non-financial support for the creation of such a network
- Consider the adoption of equivalence decisions for of a number of jurisdictions including Argentina, Brazil, Hong Kong, Mexico and Singapore based on a technical advice from ESMA.

SPECIFIC OBJECTIVE: 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>Result Indicator</i>	<i>Latest known results</i>	<i>Target</i>
Average transposition deficit for all relevant directives ¹⁸	2010: 0.7% (29 Directives) 2011: 3.4% (32 Directives) 01/01/2012 – 7/11/2012: 0% (32 Directives)	Maximum of 1% transposition deficit for all Member States
Number of complaints still open in CHAP 12 months after their registration	2010: 2 2011: 2 01/01/2012 – 7/11/2012: 0	No complaints still open in CHAP 12 months after their registration
Number of infringement cases ¹⁹ still open three years after the sending of a letter of formal notice	2010: 3 2011: 3 01/01/2012 – 7/11/2012: 2	No infringement cases still open three years after the sending of a letter of formal notice
Number of cases closed using alternative problem solving mechanisms (e.g. SOLVIT, EU PILOT, modification of draft laws)	SOLVIT 2010: 4 2011: 11 01/01/2012 – 1/10/2012: 3 EU Pilot 2010: 1 2011: 4 01/01/2012 – 1/10/2012: 5	Increase in number of cases solved using alternative redress mechanism, year on year
Main policy outputs for 2013		
<ul style="list-style-type: none"> • 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. 		

¹⁸ The "transposition deficit measures the percentage of DG MARKT directives not yet communicated to the Commission as having been transposed into national law, in relation to the total number of directives which should have been transposed

¹⁹ Except Justified Slow Progress cases and cases for which a "saisine" has been decided

- Provide guidance to Member States on the application of the Treaty principles on the free movement of capital, in particular on special rights and ring-fencing measures.
- Monitor and analyse how the free movement of capital principles apply to investments in real estate in particular in view of the temporary derogation granted to a number of new Member States.
- Given that the free movement of capital principles apply also to third country investments, monitor and analyse third country investments and the interface between the free movement of capital and common commercial policy (new Article 207 of TFEU).
- Collect statistical data on capital flows and prepare a contribution to the EFC's annual examination about capital movements within the Internal Market. On the basis of this contribution, publish an annual Commission report on the free movement of capital.
- Explore ways to develop a coherent approach to remove obstacles to both intra-EU and third country investments.
- Facilitate the termination of intra-EU Bits and explore new mechanisms for investment protection in a close dialogue with Member States.

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 are striving 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 European Systemic Risk Board, they are monitoring 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. 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. There is still a need to regulate shadow banking, which provides a valuable alternative to bank funding that supports real economic activities, but can pose bank-like risks, (e.g. runs on Market Money Funds and Securities Lending). We need to ensure that non-bank financial institutions can be effectively resolved without causing systemic impact. At the same time, there is a need to promote non-bank lending to support the real economy in investments at a time where bank lending is shrinking in Europe.

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.

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

<i>Result Indicators</i>	<i>Latest known results</i>	<i>Target</i>
Number of centrally cleared standardised OTC derivative trades compared to the total number of OTC derivative trades in the EU	<p>Total notional outstanding (in USD equivalents in billions): 463,044 (figure slightly adjusted in the final version of the report from the 463,035 previously calculated)</p> <p>Total notional outstanding on a CCP (in USD equivalents in billions): 148,880.</p> <p style="text-align: center;"><i>(Source: FSB's "Fourth Progress Report on Implementation of OTC Derivatives Markets Reforms". The final report has been published on the FSB website on 31 October</i></p>	Central clearing of all standardised over-the-counter (OTC) derivative trades in the EU

	2012.)	
Number of prospectuses approved and passported throughout the EU	Data collection from ESMA shows that in 2011 a number of 4310 prospectuses were approved throughout the EU out of which 1147 were passported (sent), while for 2010 a number of 4591 prospectuses were approved but only 971 were passported (sent). There is an increase in the percentage of prospectuses passported from 21, 1% in 2010 to 26, and 6% in 2011.	Annual increase in prospectuses approved and passported throughout the EU
Successful performance of ESAs in their tasks	ESAs further established themselves as competent and professional organisations. EBA successfully carried out recapitalisation exercise; ESMA developed large number of technical standards on short selling, credit default swaps and OTC derivatives markets; EIOPA prepared the IORP QIS exercise.	ESAs must deliver draft technical standards in time, exercise their decision-making powers and carry out all their other tasks efficiently and in the sole interest of the Union
Successful performance of Single Supervisory Mechanism (SSM) in their tasks	The proposal establishing the SSM was adopted in 2012.	Regulation creating SSM in force in 2013 and SSM functioning
Progress in the implementation of financial reform	A significant number of legislative proposals in the financial services area were (or are to be) adopted, including CRDIV, MiFID and MAD revision, Bank resolution, Omnibus2, Mortgage credit, Transparency, CRA III, Venture Capital, Social Entrepreneurship Funds, CSD, IMD, PRIPS, UCITS5, AMLD, IORP, Securities Law.	All financial services legislative proposals to be in force by the end of 2013

Main policy outputs for 2013

- As indicated in the Commission Work Programme for 2013:
 - *Review the European System of Financial Supervision* to assess the effectiveness/efficiency of the supervisory architecture which is operational since 2011.
 - *Follow up to the Green Paper on Shadow Banking* to fill existing regulatory gaps and to improve transparency and data collection tools for certain financial activities, e.g. securities lending and re-hypothecation.
 - *Possible follow up to the Green paper on long term finance* to increase the supply of capital to long-term investment.
 - *Draft legislation aiming at enhancing the integrity of the production and use of benchmarks and indices* which will boost market confidence and efficiency and improve investor protection.
- Propose a *Regulation to enhance Money Market Funds* as a cash management tool for different kinds of investors including governments and corporations and propose legislation on *Securities Law* to simplify holding and transaction by way of harmonising Member States' law and to abolish barriers to the effective exercise of investors' rights (dividend, voting, etc.) when securities are held cross-border.
- Draft a *Regulation on Long Term Investment* with the aim to stimulate innovation and growth in the EU.
- Participation in T2S Project for the creation by the Eurosystem of a common IT platform that will serve Central Securities Depositories. The project is interconnected with the draft Regulation on CSDs as well as on the draft Securities law directive.
- Prepare more detailed and technical ("level 2") measures in order to further strengthen the EU regulatory framework for shortselling, OTC derivatives, market manipulation and insider dealing, investment services and instruments as well as central counterparties.
- Following the Commission adoption in 2012 of the *Regulation on Central Securities Depositories* to increase safety and reduce costs for settlement and holding of securities, continue negotiations on the proposals in the Council and the European Parliament to complete the codecision process.
- Report on the monitoring of financial markets integration and stability.
- 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.

Main expenditure-related outputs in 2013

- Study on EMIR: central clearing of OTC derivatives by pension schemes.

SPECIFIC OBJECTIVE: Ensure effective investor protection through strict conduct-of-business and disclosure rules

<i>Result Indicators</i>	<i>Latest known results</i>	<i>Target</i>
Number of complaints from investors	The 4 complaints open in 2011 and all pending ones have been closed. There was no new complaint in 2012. Numbers have steadily decreased since 2009, from 50 complaints in 2009 to none in 2012.	Reduction in the number of complaints from investors concerning infringements by Member States in the application of the Investor Compensation Schemes Directive (ICSD)

Main policy outputs for 2013

- As announced in the Commission Work Programme for 2013, amend the *Undertakings for Collective Investment in Transferable Securities (UCITS VI)* with the aim to provide appropriate solutions as regards money market funds, long-term investment, and the facilitation of cross border depositary services.
- Following the Commission adoption in 2012 of the *Regulation on key information documents for investment products (PRIIPS)* to enhance consumer protection and competition between investment products and the *Amendment of the Undertakings for Collective Investment in transferable Securities (UCITS) Directive* as regards depositary functions, remuneration policies and sanctions, continue negotiations on the proposals in the Council and the European Parliament to complete the codecision process.

Main expenditure-related outputs in 2013

- Study for consumer testing of detailed disclosure options for implementing measures for PRIIPs.
- Study on a mapping of existing social and green labels in the financial sector and possible impacts on market players in case of further harmonisation.

SPECIFIC OBJECTIVE: Ensure effective implementation and enforcement of EU rules on financial markets by all Member States		
<i>Result Indicators</i>	<i>Latest known results</i>	<i>Target</i>
Average transposition deficit for all relevant directives ²⁰	2010: 3.4% (25 Directives) 2011: 10.3% (23 Directives) 01/01/2012 – 7/11/2012: 5.5% (23 Directives)	Maximum of 1% transposition deficit for all Member States
Number of complaints still open in CHAP 12 months after their registration	2010: 0 2011: 1 01/01/2012 – 7/11/2012: 0	No complaints still open in CHAP 12 months after their registration
Number of infringement cases ²¹ still open three years after the sending of a letter of formal notice	2010: 3 2011: 1 01/01/2012 – 7/11/2012: 1	No infringement cases still open three years after the sending of a letter of formal notice
Number of cases closed using alternative problem solving mechanisms (e.g. SOLVIT, EU PILOT, modification of draft laws)	SOLVIT 2010: 0 2011: 0 01/01/2012 – 1/10/2012: 0 EU Pilot 2010: 0 2011: 0 01/01/2012 – 1/10/2012: 0	Increase in number of cases solved using alternative redress mechanism, year on year
Main policy outputs for 2013		
<ul style="list-style-type: none"> • 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. 		

²⁰ The "transposition deficit measures the percentage of DG MARKT directives not yet communicated to the Commission as having been transposed into national law, in relation to the total number of directives which should have been transposed

²¹ Except Justified Slow Progress cases and cases for which a "saisine" has been decided

FINANCIAL INSTITUTIONS

Since the credit crisis unfolded in the summer of 2007, DG MARKT has prepared a number of legislative proposals to improve the way the financial markets are working. 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 and other key prudential aspects. The work programme for 2013 will focus on ensuring swift implementation of the new prudential rules for banks notably through adoption of a large number of delegated and implementing acts. All this requires the combined efforts of Member States, the European Banking Authority (EBA) and the European Central Bank alongside the Commission. During 2013 we will furthermore propose detailed regulations to the Solvency II system, and a proposal for a revision of the IORP (Institutions of Occupational Retirement Pensions) Directive will be presented.

Beyond the direct prudential regulation of banks, insurance and pensions, efforts need to focus on boosting the levels of consumer protection and restoring consumer confidence in the retail financial services. Consumers need to be able to make informed choices and to fully benefit from competition in the retail banking sector and from innovative payment systems. 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.

DG MARKT will also contribute to financial stability by facilitating the completion of negotiations between co-legislators on the proposed Bank Recovery and Resolution Directive, the Recast of Deposit Guarantee Schemes Directive (DGS) and the preparation of delegated acts for these Directives. In addition, DG MARKT will participate in shaping the next steps in the financial services area that are necessary for the completion of the European Monetary Union, thereby further contributing to financial stability in the single market.

SPECIFIC OBJECTIVE: Improve the stability and soundness of the banking, insurance and pensions sectors

<i>Result Indicator</i>	<i>Latest known results</i>	<i>Target</i>
Percentage of credit institutions passing the EU stress tests successfully	July 2011 Stress test: 82 credit institutions passed successfully the EBA stress test, with another 16 in the danger zone. There was no stress test in 2012. The next one will take place in 2013.	Increase in the percentage of resilient credit institutions in the 2013 stress test compared to the 2011 stress test
Average impact (of four quarterly observations of diffusion index) of costs related to bank capital position on	Based on the ECB's Bank Lending Survey, the average of four quarterly observations of diffusion	Limit the impact of costs related to banks' capital position on bank lending standards (metric for

lending standards to enterprises	index that measures impact of costs related to bank capital position on lending standards to enterprises during 2011 was 3.5. The yearly average of 2012 is not known yet. The next update will be in the beginning of 2013.	2013 equal or less than for 2012)
Percentage of insurance and reinsurance companies passing the stress tests organised by EIOPA (European Insurance and Occupational Pensions Authority) in 2013	The July 2011 exercise showed that 116 insurance and reinsurance undertakings out of 129 (i.e. 90%) passed successfully the EIOPA stress tests, while the remaining 13 are considered to be in the danger zone. No stress test was performed in 2012.	Increase the percentage of resilient insurance and reinsurance undertakings (i.e. percentage of undertakings passing the stress test)
Ratio of gross premiums to GDP	The December 2011 EIOPA Financial Stability Report (Statistical Annex) reported 1.049 G€ insurance gross premiums in 2010 in the EU. According to Eurostat the total GDP in the EU was 12.268 G€ in 2010. Hence, the insurance coverage ratio in the EU was at 8, 55%.	Maintain or increase EU insurance coverage ratio, taking into account the maturity of different markets ²² .
Total investment assets held by insurers	According to the December 2011 EIOPA Financial Stability Report (Statistical Annex), insurers in the EU held 7.019 G€ total investment assets at the end of 2010. This constitutes 94% of all assets (7.474 G€) in the insurance sector in 2010. (The December 2010 CEIOPS Financial Stability	Maintain or increase the role of insurers in the financing of the economy (i.e. amount of investment)

²² There are significant differences in insurance coverage ratios between Member States. In most markets the insurance coverage ratio is too low.

	Report reported insurers in the EU held 6.379G€ total investment assets at end 2009.)	
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Main policy outputs for 2013

- As indicated in the Commission Work Programme for 2013:
 - 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.
- Development and adoption of the 40 regulatory and implementing technical standards set out in the Capital Requirements Regulation and Directive (CRD IV).
- 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.
- Work toward amending the Financial Conglomerates Directive (FICOD II) to render the regulatory framework even more responsive to market conditions thereby enhancing financial stability, safeguarding the interest of creditors and taxpayers, enhancing level playing field globally, while ensuring international competitiveness of the EU Banking sector.
- Work toward Basel final rules governing trading book capital, securitisation and credit risk exposure to ensure more robust capital requirement in the light of risks that materialised during the crisis.
- Develop *legislation on exemptions for specialised commodities dealers from CRD Capital Requirements* to adjust the existing exemptions to forthcoming changes in the scope of the Markets in Financial Instruments Directive (MiFID).
- Work toward reviewing the scope of preferential treatment of covered bonds in CRR to ensure the prudential soundness of the preferential treatment in light of changing national covered bonds legislation.
- Ensure follow-up to the High-Level Expert Group report on reforming the structure of the EU banking sector.
- Following the Commission adoption in 2012 of the Capital Requirements Directive (CRD IV) aiming at making the regulatory framework even more responsive to market conditions, continue negotiations on the proposal in the Council and European Parliament to complete de codecision process.

Main expenditure-related outputs in 2013

- Study on Financial and Macroeconomic Modelling I (FINAM I) – AA JRC.

SPECIFIC OBJECTIVE: Develop a sound crisis management framework for the financial sector

<i>Result Indicator</i>	<i>Latest known results</i>	<i>Target</i>
State aid to financial institutions (% of GDP)	Between October 2008 and October 2011, the	State aid measures as approved by the

	Commission approved €4.5 trillion (equivalent to 37% of EU GDP; 11% on annualised basis) of state aid measures to financial institutions.	Commission not exceeding 3% of the EU GDP on the annualised basis (after the transposition of the Directive into the national law - expected from 2015)
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Main policy outputs for 2013

- Carry on work to ensure that insurance and reinsurance undertakings contribute to financial stability, as well as work towards suitable resolution techniques in insurance that will enhance the protection of policyholders.
- Work towards a *Framework for crisis management and resolution for financial institutions other than banks* to ensure that non-bank financial institutions can be effectively resolved without causing systemic impact.
- Prepare delegated acts for the *Bank Recovery and Resolution Directive (RRD)* and the *Recast of Deposit Guarantee Schemes Directive (DGS)*, which are in the process of transposition into the national law.
- Follow up in the Council and European Parliament on the *Liikanen report* to ensure consistency as regards the Bank Recovery and Resolution Directive (RRD).

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

<i>Result Indicator</i>	<i>Latest known results</i>	<i>Target</i>
Level of SEPA Credit Transfers (SCT) within the EU	29,85 % (ECB statistics, August 2012) (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 %.)	Critical mass in SEPA transactions (SCT & SDD) in 2013 in order to achieve full migration in 2014, where and when required under the SEPA end-date regulation
Number of EU citizens without a bank account	In 2011: 58 million citizens (World Bank - no historical date)	Gradual reduction in number of EU citizens without a bank account (on the basis of surveys/ Eurobarometers) as of 2015

Main policy outputs for 2013

- As foreseen in the list of initiatives of the Commission Work Programme for 2013:
 - Prepare *the Revision of the Payment Services Directive and Regulation on cross-border payments* as part of the follow-up to the Green Paper to develop a common framework for cards, e-and m-payments in Europe.
 - Deliver the *Bank Accounts initiative* which would ensure universal access to and switching of bank accounts and comparability of banking fees.
- Work towards the revision of the *e-Money Directive* in light of recent market developments.
- Put forward a *Commission Communication on improving the governance of the Single Euro Payments Area (SEPA)* which will address the governance arrangements for retail payments throughout the EU.
- Continue negotiations in the Council and European Parliament to complete the codecision process on the *Revision of the Insurance Mediation Directive* to facilitate cross-border provision of insurance mediation services and to simplify the application of the current IMD at national level.
- Following the adoption of the proposal for a *Directive on mortgage credit*, meant to assist in the creation of an integrated single market for mortgage credit by boosting consumer confidence, pursue agreement at EU level through negotiations with the European Parliament and the Council.
- Continue work on users' contribution to financial services initiatives (incl. FSUG) in order to improve users' input in financial services initiatives.
- Continue work towards facilitating cross-border alternative dispute resolution mechanism for financial services (FIN-NET).
- 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.
- Following the adoption of the *Single Euro Payments Area (SEPA)* in 2010, monitor the timely migration to SEPA products.
- Work towards reaching increased awareness of the need for catastrophe insurance and identification of areas for improvement in Member States as well as at EU level.

Main expenditure-related outputs in 2013

- Study on the impact of the Electronic Money Directive (EMD).

SPECIFIC OBJECTIVE: Contribute to the financial stability by introducing the banking union		
<i>Result Indicator</i>	<i>Latest known results</i>	<i>Target</i>
10 years sovereign bond spreads between Member States <i>(Source: annual European Financial Stability and Integration report issued by DG MARKT; weekly Credit Market Pulse issued by DG ECFIN)</i>	As of 5 October 2012 spread over German Bund: Belgium 105; Greece 1 759; Spain 447; France 73; Ireland 364; Italy 369; Portugal 739	By end 2015, 10 years sovereign bond spreads do not exceed 100 basis points
A number of Member States taking part in the Europe-wide recovery and resolution mechanism	Currently no Member States are taking part in the Europe-wide recovery and resolution mechanism	By end 2015, at least 17 Member States will take part in the Europe-wide recovery and resolution mechanism
<i>Main policy outputs for 2013</i>		
<ul style="list-style-type: none"> Start work towards a Single resolution mechanism to ensure a credible pan-European mechanism to deal with bank failures. 		

SPECIFIC OBJECTIVE: 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>Result Indicator</i>	<i>Latest known results</i>	<i>Target</i>
Average "transposition deficit" for all relevant Directives ²³	2010: 5.1% (48 Directives) 2011: 0.7% (48 Directives) 01/01/2012 – 7/11/2012: 0.4% (51 Directives)	Maximum of 1% transposition deficit for all Member States
Number of complaints still open in CHAP 12 months after their registration	2010: 2 2011: 4 01/01/2012 – 7/11/2012: 0	No complaints still open in CHAP 12 months after their registration

²³ The "transposition deficit" measures the percentage of DG MARKT directives not yet communicated to the Commission as having been transposed into national law, in relation to the total number of directives which should have been transposed

Number of infringement cases ²⁴ still open three years after the sending of a letter of formal notice	2010: 1 2011: 3 01/01/2012 – 7/11/2012: 3	No infringement cases still open three years after the sending of a letter of formal notice
Number of cases closed using alternative problem solving mechanisms (e.g. SOLVIT, EU PILOT, modification of draft laws)	<p>SOLVIT</p> <p>2010 : 0 2011: 0 01/01/2012 – 1/10/2012: 0</p> <p>EU Pilot</p> <p>2010: 13 2011: 12 01/01/2012 – 1/10/2012: 3</p>	Increase in number of cases solved using alternative redress mechanism, year on year

Main policy outputs for 2013

- 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.
- Manage state aid cases as regards financial institutions in the context of the ongoing financial crisis.
- Examine countries under financial assistance.

²⁴ Except Justified Slow Progress cases and cases for which a "saisine" has been decided

EXTERNAL DIMENSION OF THE SINGLE MARKET

The financial crisis has shown the necessity for better regulation of financial markets, coordinated on a global scale. The EU is moving forward to conclude and implement trade agreements which shall contribute to the common goal of creation of jobs and stimulation of growth. 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 is and 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 trade agreements (FTAs) is being negotiated, focusing not only on market access but also on regulatory convergence. DG MARKT is closely involved in all the stages of the negotiation of these agreements since their provisions concern key areas under our remit such as services and establishment, investment, intellectual property rights, public procurement and financial services. The EU's immediate priority is to achieve progress on or conclude those trade agreements which are underway (as it is the case of Canada) and to engage negotiations with other key trade partners such as Japan and US. At the same time, enlargement negotiations are well advanced with Iceland, have been opened with Montenegro and might be opened soon with Serbia. The EU neighbourhood policy aims at promoting economic integration and improvement of mutual market access and regulatory approximation on the basis of the needs, capacities and reform objectives of each of the sixteen countries in the EU East and South immediate neighbourhood. DG MARKT is deeply involved in the process of setting up and negotiating far-reaching free-trade agreements with them, seeking the balance between further development of trade and economic integration and maintaining integrity of the Internal Market by monitoring regulatory alignment and proper enforcement of single market rules. Relations with Western European non-EU countries are also receiving renewed attention with upcoming discussions on a possible review of EU relations with the EEA and with the micro-states.

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

<i>Result Indicators</i>	<i>Latest known results</i>	<i>Target</i>
Degree of progress in various key negotiations (Canada, Singapore, Japan, US, etc.)	Negotiations are in progress.	Achieve progress in key negotiations: negotiations with Canada to be concluded by 2013; negotiations with US and Japan to start by spring 2013

Main policy outputs in 2013

- 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 and India) on Single Market issues related to financial services, public procurement and IPR.
- Play an active and assertive role in promoting MARKET policy agenda in the G20 and other relevant global fora.
- Apply possible equivalence mechanisms to ensure mutual recognition of regulatory systems between the EU and its main global partners.
- 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 (i.e. Vietnam), Mercosur, Andean Countries, India, Russia, Switzerland; participate in the Partnership and Cooperation Agreement (PCA) upgrade negotiations with China.
- Promote cooperation with the African Union Commission.
- Pursue EU level adoption of the Commission proposal on an International Procurement Instrument which is currently being negotiated in the Council and the European Parliament. The proposal aims at improving the conditions under which EU businesses can compete for public contracts in third countries.
- Review of the WTO Government Procurement Agreement (GPA) in order to secure access of EU companies to GPA markets and develop international discipline.
- Develop international standards in the field of mortgage credit and retail financial services.
- Participate in the Financial Action Task Force against Money Laundering and Terrorist Financing (FATF) and MoneyVal Ad Hoc Membership Group.
- Participate in the International Financial Reporting Standards (IFRS) Foundation Monitoring Board and in the IFRS Interpretations Committee to ensure that the EU policy objectives are reflected in the international fora.
- Sign and Ratify the WIPO Beijing Treaty on the protection of Audiovisual Performances in accordance with Article 218 TFUE.
- Participate in WIPO negotiations on a future instrument on exceptions and limitations for the visually impaired, on the protection of Traditional Expressions of Culture and on a possible Treaty on the protection of broadcasters' rights.
- Develop constructive dialogue within WIPO, WTO and bi-laterally with developing third country trading partners on IP enforcement by getting the issue of ethical supply chain auditing onto the agenda of multi-lateral and bi-lateral trade negotiations.

SPECIFIC OBJECTIVE: Promote single market rules in non-EU countries		
<i>Result Indicators</i>	<i>Latest known results</i>	<i>Target</i>
Degree of compliance with EU acquis in Croatia	Screening completed. Some issues are still pending but those are not in DG MARKET's remit	<i>Acceding country: Croatia</i> Full compliance with EU acquis by 1 st July 2013
Progress in accession process as reported in the Progress Reports (e.g. number of opening/ closing benchmarks met, number of chapters opened/ closed)	Montenegro: negotiations started in June 2012, screening meetings ongoing until June 2013 Iceland: negotiations are ongoing (three of MARKET chapters closed, two opened, two still to be opened) Turkey: process stalled – four chapters opened, two frozen for political reasons FYROM: no negotiations (due to the name dispute with Greece) Serbia: candidate status since March 2012, awaiting date for opening of negotiations	<i>Candidate countries</i> Successful outcome of technical negotiations or further preparation for accession negotiations
Degree of implementation of agreements and action plans and acquis alignment by the countries concerned as reported in the Progress Reports	Varying degrees of progress in DG MARKET's field. Albania: good progress Kosovo: slower progress but improvement of approximation to Single Market rules Bosnia and Herzegovina: little progress	<i>Potential candidate countries</i> Maximum possible convergence with the acquis and its application
Degree of implementation of agreements and action plans by the countries concerned as reported in the Progress Reports	Varying degrees of progress as reported in the European Neighbourhood Policy (ENP) Report. A Deep and Comprehensive Free Trade Agreement (DCFTA) with Ukraine was negotiated and is ready to be signed.	<i>Neighbourhood Policy Countries</i> Maximum possible convergence with the acquis and its application in the context of the European Neighbourhood Policy. Development of appropriate enforcement

		and monitoring tools.
Number of third countries which adopt independent oversight on auditors and audit firms	9 countries have adopted oversight rules equivalent to EU rules	17 third countries to adopt oversight rules on auditors and audit firms equivalent to EU rules in the medium term
Main policy outputs for 2013		
<ul style="list-style-type: none"> • 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. 		

POLICY STRATEGY AND COORDINATION FOR THE INTERNAL MARKET

DG MARKT has 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 and promote a more open, collaborative and flexible working culture across the DG. DG MARKT's two coordination Units, attached directly to the two Deputy Director Generals, help ensure coherence between policy projects originating in different units.

On communication, we aim to maintain a high profile for the Internal Market and to promote DG MARKT'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 MARKT 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.

SPECIFIC OBJECTIVE: Build support for the Single Market by communicating effectively with all constituencies

<i>Result Indicator</i>	<i>Latest known result</i>	<i>Target</i>
Number of visits on the DG's websites	<p><u>DG MARKT website:</u> 2010: average of 250 000 visits/ month 2011: average of 446 000visits/ month January – October 2012: average of 532 153 visits/ month</p> <p><u>Commissioner Barnier's website:</u> 2010: average of 10764 visits/ month compared to 6355 visits/ month on average for all Commissioners' websites 2011: average of 13036 visits/ month compared to 6772 visits/ month on average for all Commissioners' websites</p>	<p>Sustained high number of visits on DG MARKT's websites:</p> <ul style="list-style-type: none"> - no less than an average of 500,000 visits per month on DG MARKT website - More visits on Commissioner Barnier's website compared to the average number of visits on all Commissioners' websites
Tracking coverage on DG COMM's European Media Monitoring System and analysing media contents	Coverage level keyword "Michel Barnier": daily average in EMM of 40 articles (30 in 2011)	Sustain good volume of media coverage in 2013: daily average not less than 40 articles

	Peak in 2012: 7 June 2012 with 446 articles (Bank Recovery)	
Number of Twitter followers for the DG's Twitter account	2200 (end October 2012)	10% increase in 2013 in number of Twitter followers for the DG's Twitter account
Volumes of publications printed and distributed	Approximately 120000 copies of publications distributed in the first three quarters of 2012	Constant number in 2013
Views for public videos on our website and YouTube site	Views of DG MARKET YouTube channel (Sep 2011 - Sep2012): 14000 (average per month: 1166)	5% increase in 2013 in views for public videos on our website and YouTube site

Main outputs for 2013

- 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.
- Develop and implement a strategy for DG MARKET in social media such as Twitter, Facebook, blogs, etc.
- Prepare communication activities around the 2013 Single Market Forum including a social media strategy.

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.

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. DG MARKT is also responsible for supervising four agencies and co-funding the three financial supervisory agencies.

SPECIFIC OBJECTIVE: Deliver effective HR services and ensure strategic staff allocation in line with operational priorities		
<i>Result Indicator</i>	<i>Latest known result</i>	<i>Target</i>
Percentage of women in senior and middle management positions	Female senior managers 2009 - 0% 2010 - 25% 2011 - 50% Q2 2012 - 50% Female middle managers 2009 - 16,7% 2010 - 22,0% 2011 - 21,4 Q2 2012 - 21,4% <i>(Source: HR Scorecard - July 2012 edition)</i>	25% of women in senior management and 30% of women in middle management positions by end 2014
Percentage of staff leaving the DG before two years of employment in the DG	In 2012, 0.6% of permanent staff leaving the DG before two years of employment in the DG (0.8% in 2011)	Less than 2% of permanent staff leaving the DG before two years of employment in the DG
Number of training days per staff member per year	Days of formal training per staff member (excluding on the job	Encourage staff to follow at least 7.5 training days

	training): 2010: 7.51 days 2011: 10.9 days 01/01 - 25/10/2012: 7.63 days	per year
Degree of implementation of the Personnel Action Plan (PAP)	By November 2012, out of 59 PAP actions, only 8 remain to be completed, which means an 86% compliance rate. The PAP is currently being reviewed.	Implementation of the actions in the framework of the Personnel Action Plan

Main outputs for 2013

- Ensure smooth recruitment, mobility of staff and allocation of staff, and promote modern methods of work organisation, in line with operational priorities and managing negative 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 2013 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 2014 by means of providing an overview of all initiatives planned for adoption in the course of 2014.
- 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.
- Support staff in identifying Learning and Development needs and offer adequate Learning and Development actions.

SPECIFIC OBJECTIVE: Ensure sound financial management of resources and the legality and regularity of operations		
<i>Result Indicator</i>	<i>Latest known result</i>	<i>Target</i>
Percentage of transactions completed in accordance with the financial circuits	100% compliance based on a sample of 50 transactions executed between 1 November 2010 and 15 December 2011 ²⁵	100% of transactions completed in accordance with the financial circuits
Percentage of payments executed within contractual time limits	81.5% of the payments in the first semester of 2012 were executed within contractual time limits.	95% budget execution within contractual time limits
Error rate on financial transactions	The Internal Audit Capability (IAC) of DG MARKT considers that the residual error rate remains under the set threshold of 2%. ²⁶	Less than 2% error rate on financial transactions
Execution rate on the operational budget line (commitments)	In 2011, the execution rate in commitment appropriations on the operational budget lines, EFTA contribution included, was 99.11%	95% of budget execution for commitments of operational budget lines.
Execution rate on the operational budget line (payments)	In 2011, the execution rate in payment appropriations on the operational budget lines, EFTA contribution included, was 99.19%	95% of budget execution for payments of operational budget lines
Execution rate on the administrative budget line (commitments)	97.88% budget execution for administrative budget lines in 2011.	95% budget execution of the administrative budget lines.
Number of legal proceedings following complaints in procurement	No complaints received from unsuccessful contractors and	No legal proceedings following complaints in

²⁵ In January/February 2012, the Internal Audit Capability (IAC) of DG MARKT conducted a financial review on 2011 transactions and checked ex-post a sample of 50 transactions (25 commitments and 25 payments), representing 6.7% of the total transactions on the period between 1 November 2010 and 15 December 2011. IAC final report concluded that all 50 transactions reviewed has been completed in accordance with DG MARKT's existing rules and the Financial Circuits applicable to the selected transactions.

²⁶ The IAC detected no materiality in the errors identified. There was no financial loss to the Commission and the errors found were of a procedural nature. Moreover, the errors detected through quarterly checks carried out by the accounting correspondent mainly relate to technical issues. For 2 commitments, unused amounts were not de-committed resulting in a 0.6% loss of credits which remains under the set 2% threshold.

procedures	no legal proceedings from contractors of the DG against the Commission.	procurement procedures
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Main outputs for 2013

- 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.
- Improve the management of studies by issuing and implementing guidelines for operational units
- 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.
- Develop a fraud detection and prevention strategy.

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

<i>Result Indicator</i>	<i>Latest known result</i>	<i>Target</i>
Degree of staff satisfaction with the ITC services provided	Level of staff satisfaction: 2009 : 80% 2010 : 83% 2011 : 78%	80% or more satisfaction in annual ITC survey

Degree of staff satisfaction with document management services provided	Level of staff satisfaction: 2009 : 83% 2010 : 85% 2011 : 86%	80% or more satisfaction in annual document management (CAD) survey
Use of videoconferencing	2009 - 15 video conferences 2010 - 76 video conferences 2011 - 110 video conferences Q1 - Q3 2012 - 103 video conferences	Annual 10% increase in the use of videoconferencing
Paper consumption per person	2009 - 8622 sheets/person 2010 - 6980 sheets/person 2011 - 7802 sheets/person Q1 - Q3 2012 - 5312 sheets/person	2% reduction of paper consumption

Main outputs for 2013

- 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.
- Raise awareness of staff on environmental issues.