



Brussels,
D(2016)

Opinion

Title **DG GROW – Proposal to introduce a European Services Card and to facilitate market access for service providers- (resubmitted version of 25 October 2016)***

(A) Context

The EU adopted the Services Directive in 2006 and set a December 2009 deadline for transposition. The directive requires Member States to adopt reforms that reduce or remove obstacles to cross-border activities.

Evidence to date suggests limited progress toward an integrated internal market for services. On 28 October 2015, the Commission adopted its Single Market Strategy. This includes several initiatives that build on the Services Directive. There is a particular cross-border focus on business and construction services.

The strategy includes introducing a services "passport" and addressing regulatory barriers for business services. It also includes organisational requirements for construction services and action with regard to insurance requirements.

The current initiative to "introduce a European Services Card and facilitate market access for service providers" takes forward these initiatives.

(B) Overall opinion: POSITIVE

The Board gives a positive opinion, with a recommendation to further improve the report in a number of key aspects.

Revisions to the report reflect most of the Board's recommendations. The problem analysis is now clearer and identifies implementation problems of the services directive. The report explains better the scope of the initiative and why it focuses on certain selected sectors. The analysis is better supported by evidence. The report now groups the policy options into comprehensive policy packages and identifies a preferred option. The report includes relatively precise estimates of how the various packages of measures might reduce administrative costs for service providers. It presents stakeholders' views and replies to concerns and criticism that stakeholder groups have raised.

The Board recommends further improvements on the following issues:

(1) Clarify the link between the revised specific objectives (in particular objective 2) and the problem drivers.

(2) Provide some background information on the similarities and differences between

*Note that this opinion concerns a draft impact assessment report which may differ from the one adopted

the service card and the European Professional Card (EPC) in terms of reducing administrative complexity.

(3) Be more explicit on the limited expected impact of reducing administrative and regulatory burdens, in comparison with other factors that are limiting services trade.

The lead DG shall ensure that these recommendations are duly taken into account in the report prior to launching the inter-service consultation.

(C) Main recommendations for improvements

(1) Objectives. Specific objective 2 refers to the "confidence of the market towards foreign service providers." The report did not explicitly identify this as a problem driver. It is also not clear how this objective targets closer cooperation between national authorities (problem driver 2).

(2) Administrative simplification. The services card would be voluntary and would therefore coexist with national procedures. The report should draw more on the experience of the European Professional Card (EPC), including how this has affected administrative complexity. It would be helpful for the report to assess more systematically relevant strengths and weaknesses of the EPC experience, clarifying similarities and differences with the services card initiative. The report should also clarify how the combination of this and future initiatives, such as the European Digital Gateway, might help to simplify administrative procedures rather than create more administrative complexity.

(3) Impacts. The impact of the proposed initiative is hard to estimate because there are many other factors restricting services trade besides those that the services card would address. The report should be cautious not to overpromise when it presents the potential impacts of the various options, also given the limited availability of hard data.

(D) Procedure and presentation

Even though the report is longer than before, the content, and structure and overall readability are markedly improved.

(E) RSB scrutiny process

Reference number	2016/GROW/041
External expertise used	No
Date of RSB decision	8 November 2016