



EUROPEAN COMMISSION

*Brussels, 17.03.2016  
C(2016) 1481 final*

*Dear President,*

*The Commission would like to thank the Bundesrat for its Opinion on the Communication from the Commission to the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions entitled "Upgrading the Single Market: more opportunities for people and business" {COM(2015) 550 final}.*

*The Single Market is one of Europe's greatest achievements but as the Commission noted when adopting its work programme for 2016, it needs to adapt to changing economic conditions if its full potential is to be realised. The Commission therefore welcomes the Bundesrat's broad support for the aims of the Single Market Strategy and in particular those actions designed to help small and medium-sized enterprises (SMEs) and start-ups to grow and to make the market without borders for services a practical reality.*

*The Commission takes note of the concerns expressed by the Bundesrat in the Opinion relating to the proposal for a Directive on single-member private limited liability companies {COM(2014) 212 final} which were also expressed in its earlier Opinion of July 2014. The Commission regrets that its detailed response of 25 September 2014 to the Bundesrat's earlier Opinion was unable to dispel all of its concerns relating to the Single Member Company proposal but the Commission remains committed to reducing the costs of company registration and simplifying procedures.*

*The Commission welcomes the support of the Bundesrat for the idea of digitalisation of company law requirements. The Commission believes that its Single Member Company proposal constitutes a useful basis for further reflections on how legal requirements could be adapted to the Digital Age. In the Commission's view, the digitalisation per se does not in any way impinge on the accuracy of the company data in the business registers. To the contrary, business registers which are fully digital, transparent and interconnected could enhance legal certainty and confidence needed by business partners.*

*Mr Stanislaw TILLICH  
President of the Bundesrat  
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*Turning to the Bundesrat's observations regarding professional services in Germany, the Commission notes the support expressed for the removal of unjustified barriers to the cross-border provision of services. The Commission would like to reassure the Bundesrat that the intention of the Single Market Strategy is not to lower standards or compromise consumer protection but rather to ensure that regulation is fit for purpose and that public interest objectives are achieved. In this context, the Commission considers that it is important to assess legislation affecting the access to and the exercise of professional activities in a comprehensive way.*

*The points made above are based on the Communication on the Single Market Strategy presented by the Commission which sets out concrete initiatives that are currently being developed and will be discussed with the European Parliament and the Council.*

*The Commission hopes that these clarifications address the issues raised by the Bundesrat and looks forward to continuing the political dialogue in the future.*

*Yours faithfully,*

*Frans Timmermans  
First Vice-President*

*Elżbieta Bienkowska  
Member of the Commission*