



EUROPEAN COMMISSION

*Brussels, 6.6.2016  
C(2016) 3381 final*

*Dear President,*

*The Commission would like to thank the Bundestag for its Opinion on the Communication "Upgrading the Single Market: more opportunities for people and business" {COM(2015) 550 final}.*

*The Commission welcomes the support of the Bundestag for the actions set out in the Communication which seek to further consolidate the Single Market and promote transparency and competitiveness.*

*The Single Market is one of Europe's greatest achievements. By allowing people, services, goods and capital to move more freely in the world's largest economy (14 trillion euros GDP), it offers enormous opportunities for European businesses and greater choice and lower prices for consumers. It enables citizens to travel, live, work and study wherever they wish. But these benefits do not always materialise, because Single Market rules are not known, not implemented or simply undermined by other barriers. And the Single Market needs to evolve so that innovative ideas and innovative business models can find their place.*

*Therefore the European Commission decided to make "a deeper and fairer internal market" one of its ten priorities and to adopt the Single Market Strategy to tackle the aforementioned challenges. This links in with the Commission's other objectives mapped out in the Commission Work Programme. The Single Market Strategy is an important part of the Investment Plan for Europe and follows up on the Digital Single Market Strategy as well as on the Capital Markets Union.*

*In response to the more technical questions in the Opinion the Commission would like to refer the Bundestag to the attached annex.*

*Dr Norbert Lammert  
President of the Bundestag  
Platz der Republik 1  
11011 Berlin, Germany*

*The points made above and in the annex are based on the Communication on the Single Market Strategy adopted by the Commission on 28 October 2015. The initiatives are being implemented in coordination with the European Parliament and the Council.*

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

*Yours faithfully,*

*Frans Timmermans  
First Vice-President*

*Elżbieta Bienkowska  
Member of the Commission*

## ANNEX

### On the regulation of professional services and crafts:

*In its Opinion, the Bundestag considers that the existing regulation of professional services and crafts should be maintained as they serve to protect consumers and the quality of services offered. It furthermore stresses that the competence of Member States to regulate trades and professions must be maintained. While recalling that it does not regulate or deregulate professions but merely recommends modernisation and supports Member States' reforms in this area, the Commission would like to point out, however, that according to the EU Treaty and applicable EU legislation, national services regulation is permissible only where it is justified, non-discriminatory and proportionate to reach clearly identified and legitimate public policy objectives – and where no less restrictive means are available to meet the same objectives.*

### On the country-of-origin principle:

*Concerning the Bundestag's call on the Commission to refrain from presenting any legislative proposal that entails the introduction of the country-of-origin principle, the Commission notes that the Communication of the Commission "Upgrading the Single Market: more opportunities for people and business" {COM(2015) 550 final} does not refer to the country-of-origin principle.*

### On the services passport:

*The Commission welcomes the support of the Bundestag for the idea of reducing bureaucratic formalities for cross-border activities for services providers. The Commission agrees that the introduction of the services passport must neither lead to the host Member State no longer being able to make justified demands to the service provider, nor lead to a reduction of protection and oversight for employees that have been seconded to other Member States. The Commission would like to reiterate that its intention is not to base the services passport on the country of origin principle.*

### On the freedom to contract:

*The Commission agrees with the views expressed by the Bundestag on the freedom to contract regarding the planned legislative measure for the prevention of discrimination against consumers on grounds of nationality or place of residence, while recalling that Article 20 (2) of the Services Directive lays down that Member States should ensure that companies are prevented from treating customers differently on the basis of their residence or nationality.*