



EUROPEAN COMMISSION

*Brussels, 13.10.2016  
C(2016) 6489 final*

*Dr Norbert LAMMERT  
President of the Bundestag  
Platz der Republik 1  
D – 11011 BERLIN*

*Dear President,*

*The Commission would like to thank the Bundestag for its Opinion on deepening the Single Market and maintaining proven standards.*

*As outlined in its letter of 6 June 2016, the Commission welcomes the support of the Bundestag for deepening the Single Market as well as for the actions set out in the Communication "Upgrading the Single Market: more opportunities for people and business"<sup>1</sup>.*

*The Commission shares the Bundestag's view that the Single Market has made a significant contribution to the prosperity of and growth within the EU. As one of the EU's greatest achievements, it enables people, services, goods and capital to move more freely. At the same time, it is also clear that the Single Market at present does not deliver its full potential. This is a missed opportunity that the EU cannot afford.*

*For this reason President Juncker, in his political guidelines<sup>2</sup> set out on 15 July 2014, identified a deeper and fairer internal market as one of the Commission's ten priorities. With the Single Market Strategy, the Commission proposes a concrete and ambitious set of actions to make this a reality, by removing economically significant barriers that hold back Europe's jobs, growth and investment agenda.*

*In response to the more detailed points raised by the Bundestag in its Opinion, the Commission would like to refer the Bundestag to the attached annex.*

*The Commission hopes that this reply addresses the issues raised by the Bundestag and looks forward to continuing our political dialogue in the future.*

*Yours faithfully,*

*Frans Timmermans  
First Vice-President*

*Elżbieta Bieńkowska  
Member of the Commission*

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<sup>1</sup> COM(2015) 550 final.

<sup>2</sup> [https://ec.europa.eu/priorities/sites/beta-political/files/juncker-political-guidelines\\_en.pdf](https://ec.europa.eu/priorities/sites/beta-political/files/juncker-political-guidelines_en.pdf)

## ANNEX

*The Commission would like to make the following comments on the points to which the Bundestag has drawn its attention:*

### *As regards the area of entrepreneurship:*

#### *On the collaborative economy:*

*On 2 June 2016, the Commission provided guidance<sup>3</sup> for public authorities and market operators to support the balanced and sustainable development of the new business models of the collaborative economy. The Commission invites Member States to review their regulation in light of this guidance and is ready to support them in this process. The Collaborative Economy business models offer an important chance for the EU to modernise its economic fabric and to insert new dynamism to the services economy. The Commission will also support the Member States and stakeholders in implementing this guidance and these policy recommendations and will engage in a regular dialogue with them as well as with the European Parliament and the Council.*

#### *Initiatives for start-ups and scale-ups:*

*The initiatives for start-ups and scale-ups presented in the Single Market Strategy are not intended to lead to distortions of competition to the detriment of other businesses, nor to reductions in public revenue. They are focused on practical measures helping start-ups to grow and expand by promoting innovation, unlocking investments and empowering consumers. To reduce the administrative burden, the Commission, when considering policy solutions or evaluating legislation, is paying particular attention to rules that affect these companies.*

#### *On an initiative on business insolvency:*

*Concerning a legislative initiative on business insolvency, including early restructuring and second chances, the Commission will present a proposal shortly, based on an impact assessment. Inefficiencies and differences in national insolvency frameworks generate legal uncertainty, obstacles to recovery of value by creditors, and barriers to the efficient restructuring of viable companies in the EU, including for cross-border groups. Allowing honest entrepreneurs to benefit from a second chance after overcoming bankruptcy is also crucial for ensuring a dynamic business environment and promoting innovation.*

#### *On a uniform legal form for limited companies:*

*In order to address the problems encountered particularly by SMEs in the Single Market, the Commission had initially put forward a Europe-wide legal form through its proposal in 2008 for a Council Regulation on a Statute for a European private company<sup>4</sup>. Despite a positive vote in the European Parliament and wider support from the business community, it was not possible to find a compromise allowing for the adoption of the statute by the Council. The proposal was therefore withdrawn in 2014 under the REFIT exercise.*

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<sup>3</sup> COM(2016) 356 final.

<sup>4</sup> COM(2008) 396 final.

*The Commission's proposal for a Directive on single-member private limited liability companies<sup>5</sup> presented in April 2014 constitutes an alternative to achieve similar objectives, by proposing a national company form which the Member States have to provide for in their respective national legal systems. The added-value of the proposal is that it lays down harmonized rules for the most important aspects of the establishment and operation of companies with a single-member which makes the cross-border set-up of companies easier and less costly.*

**As regards services:**

On the regulation of professional services and crafts:

*The Commission does not question Member States' competence to regulate professions. At the same time, it seems reasonable to invite Member States to assess whether all of the more than 5500 regulated professions in the EU are valid and up-to-date. The initiatives proposed in the Single Market Strategy recommend modernisation and support Member States' reforms in this area. According to EU law, national services regulation must be justified, non-discriminatory and proportionate to reach clearly identified and legitimate public policy objectives and where no less restrictive means are available to meet those same objectives. Moreover, the European Council has repeatedly raised the goal of improving regulation in professional services, including in its February 2016 conclusions on the Single Market Strategy.*

On the country-of-origin principle:

*The Commission respectfully notes that the Communication of the Commission "Upgrading the Single Market: more opportunities for people and business", that includes a roadmap setting out the planned actions to deliver its objectives, does not refer to the country-of-origin principle.*

On the services card (formerly referred to as 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 card must neither lead to the host Member State no longer being able to make justified demands of the service provider, nor lead to a reduction of protection for employees that have been seconded to other Member States.*

**As regards retail:**

*By 2017, the Commission will set out best practices for facilitating retail establishment and reducing operational restrictions in the Single Market. These will provide guidance for Member State reforms and priority-setting for enforcement policy in the retail sector.*

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<sup>5</sup> COM(2014) 212 final.

**As regards preventing discrimination against consumers and businesses:**

*On 25 May 2016, the Commission presented a proposal for a Regulation on addressing geo-blocking and other forms of discrimination based on customers' nationality, place of residence or place of establishment within the internal market<sup>6</sup>. This proposal defines specific situations when there can be no justified reason for geo-blocking or other forms of discrimination based on nationality, residence or location. In these circumstances, customers from another Member State should have the same access to goods and services as local customers. The proposed Regulation does not introduce an obligation for companies to contract but only an obligation to treat European customers in the same manner when they are in the same situation, regardless of their nationality, place of residence or establishment.*

**As regards standardisation:**

**On the Joint Initiative on Standardisation:**

*The Commission welcomes the Bundestag's support regarding the Joint Initiative on Standardisation<sup>7</sup>, which was adopted on 1 June 2016. The Joint Initiative on Standardisation will bring together European and national standardisation organisations and bodies, industry, small and medium-sized enterprises, consumer associations, trade unions, environmental organisations, Member States and the Commission. These partners will commit to modernising, prioritising, and speeding up the timely delivery of standards by the end of 2019.*

**Service standards:**

*On 1 June 2016, the Commission presented guidance on service standards entitled “Tapping the potential of European service standards to help Europe's consumers and businesses”<sup>8</sup>. The current fragmentation of service standards within the Union acts as a barrier to the cross-border provision of services. Complementing other initiatives under the Single Market Strategy to facilitate the cross-border provision of services, with this guidance the Commission proposes to prioritise and promote the targeted development of voluntary European service standards.*

*It is not the Commission's intention to create a situation where EU-wide standardisation of services leads to services being reduced to the lowest common denominator, and thus to a reduction in quality. On the contrary, the Commission will carry out an analysis of whether there are areas of conflict or duplication between national service standards and of where there are potential policy gaps. On this basis, it will decide whether to request or recommend the European Committee for Standardisation (CEN)<sup>9</sup> to develop standards. To this end, the Commission will engage with European and national standard setters and stakeholders by the end of 2016 to agree on criteria to prioritise European service standards.*

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<sup>6</sup> COM(2016) 289 final.

<sup>7</sup> COM(2016) 358 final.

<sup>8</sup> SWD(2016) 186 final.

<sup>9</sup> <https://www.cen.eu/Pages/default.aspx>

**As regards public procurement:**

*Any action to be taken on the introduction of data analysis tools for the award of public contracts and any ensuing reporting measures will be subject to discussions with the Member States, based on targeted discussions on the scope of actions available to maximise the benefits of public procurement data analysis and collection. As announced in the Single Market Strategy, the ex-ante assessment mechanism for large infrastructure projects will be set up as a voluntary instrument.*

**On the free movement of goods:**

**On a voluntary self-declaration by businesses on the lawful marketing of a product:**

*The Commission will carefully assess the potential benefits and drawbacks of the possible introduction of a voluntary self-declaration by businesses on the lawful marketing of a product. It is not the Commission's intention to question the possibility for Member States to establish prior authorisation procedures which, however, need to comply with Articles 34 and 36 of the Treaty on the Functioning of the European Union.*

**On the collection of information from selected market participants:**

*The Commission is currently analysing the possible parameters of the future Single Market Information Tool and will ensure that national authorities play an important role in the collection of information. Several additional measures would be taken in order to ensure that the use of the tool is adequate and proportionate to the objectives to be achieved, taking into account the cost for responding firms and avoiding unnecessary administrative burdens.*

**On the implementation of EU law:**

**On the reform of the Services Directive notification procedure:**

*The Commission is currently preparing the legislative initiative for the enforcement of the Services Directive notification procedure and intends to present it later this year.*