Report 2022 –2023

Single
Market
Enforcement
Taskforce

Contents

Introduction

> *"Building on the success of the past 30 years, we will continue to work with Member States to ensure that they apply EU law properly and their administrations do not draw up new barriers in particular in the area of services. In the current geopolitical context and with fierce global competition, a well-functioning Single Market will be particularly vital for the EU's competitiveness, job creation and resilience."*
>
> *Thierry Breton, Commissioner for Internal Market[1]*

30 years after its creation, the Single Market continues to be the most important tool for achieving growth and prosperity in the EU and tackling existing and emerging challenges. By ensuring the free movement of goods, services, capital, and people it creates new opportunities for companies and people to progress and become more competitive. And in times of global threats, it plays a key role for increasing Europe's open strategic autonomy and preserving European values. At the same time, the Single Market remains fragmented in some areas and still faces obstacles that prevent it from realising its full potential.

In its Communication on long-term competitiveness of the EU[2], the European Commission points to the Single Market as the first of nine mutually reinforcing drivers promoting Europe's competitiveness. However, it also sees the need for joint efforts to enforce existing rules, remove barriers and explore areas for further integration of the Single Market[3].

Created in 2020, the Single Market Enforcement Taskforce (SMET)[4] is a high-level forum where Commission and Member States work together to improve the functioning of the Single Market by identifying and removing very concrete and practical barriers. At the beginning, SMET mainly worked on avoiding and removing protectionist measures caused by the COVID-19 pandemic. However, its focus has since shifted to areas that make a strong contribution to the competitiveness of the European economy and to the green and digital transition.

The aim of this third annual report is to give a clear and concise account of the work done by SMET from October 2022 to October 2023, of its achievements in removing Single Market barriers and thus improving the functioning of the Single Market. It also presents the outlook for the near future and indicates the main challenges it faces in improving the Single Market.

The work of the taskforce is steered by the political guidance provided by the Competitiveness Council (COMPET) and the European Parliament. The political support in the Member States is also crucial for an effective SMET work. The aim for the current SMET report and the future directions of the task force's work is to be discussed at the spring COMPET Council in addition to the Annual Single Market and Competitiveness Report and the Single Market Scoreboard. It will also be presented to the European Parliament's Internal Market and Consumer Protection committee (IMCO).

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1   Press release for "Single Market turns 30: Commission's reports confirm the Single Market underpins Europe's ability to tackle key challenges." Single Market turns 30 (europa.eu)

2   Long-term competitiveness of the EU: looking beyond 2030.

3   Communication on the Single Market at 30: https://single-market-economy.ec.europa.eu/publications/single-market-30_en

4   For more information see the previous SMET reports: https://ec.europa.eu/internal_market/smet/reports/index_en.htm

1. How SMET is organised

1.1. SMET objectives

SMET is a task force aiming to facilitate the smooth functioning of the Single Market through efficient partnership and collaboration between the Commission and all Member States.

Its key objective is to support the implementation and enforcement of the Single Market rules by removing concrete obstacles to the free movement of goods, services, people, and capital. Inadequate implementation or enforcement is one of the reasons why citizens, workers and businesses experience barriers in the Single Market. SMET also discusses how the functioning of the various Single Market instruments can be improved. Since the creation of SMET, its work has evolved, adding stronger focus on Union's strategic goals such as green and digital transformation and resilience.

SMET does not replace, but rather complements other existing enforcement instruments, such as infringement procedures, the EU-Pilot scheme, SOLVIT and technical notifications. Furthermore, as a cooperative platform it creates opportunities for generating innovative solutions and ideas for addressing Single Market challenges.

> *A renewed political commitment at all levels is needed to enhance application and enforcement of Single Market rules and to deliver on previous commitments - Communication on the Single Market at 30[5].*

1.2. How we work together

SMET is an innovative instrument used to strengthen the Single Market by improving the implementation and enforcement of the Single Market freedoms through cooperation.

The Commission and Member States work together to identify concrete barriers to the Single Market and prioritise the most pressing ones. Once a cross-border barrier is identified and agreed on by SMET members, the discussions focus on potential solutions, followed by the engagement of the Member States at national level for improving the situation so that businesses and citizens can use the Single Market to their greatest benefit. To ensure that the workload is manageable and to deliver results, SMET limits the number of ongoing projects.

SMET consists of Member States representatives from ministries responsible for Single Market issues and the European Commission (represented by the Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, DG GROW)[6]. However, other services, both at national and EU level, are actively involved in specific projects that come under their responsibility.

For example, in the project for cross-border provision of services, SMET members and sherpas work closely with colleagues responsible for labour law and social issues. And in the project on streamlining the permitting process for renewable energy projects, they work with colleagues responsible for energy issues.

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5   Communication on the Single Market at 30: https://single-market-economy.ec.europa.eu/publications/single-market-30_en
6   For more information see the previous reports: https://ec.europa.eu/internal_market/smet/reports/index_en.htm

Single Market Enforcement Taskforce

High-level forum

Member States and EEA EFTA States*
Represented by senior officials with
responsibilities for single market policy

➕

European Commission
Represented by the Director-General of DG GROW

Sherpa group

Representatives from
Member State authorities
responsible for single
market matters and officials
from DG GROW, European
Commission

Working and communication tools
- An online platform (wiki) facilitates collaboration and sharing of information among SMET members.
- A public website[7] provides stakeholders with information on the different meetings held by SMET and the topics addressed.

1.3. Increased transparency and stakeholder involvement

SMET work is presented at the Competitiveness Council[8] and to the IMCO committee in the European Parliament[9], as well as at stakeholders' events on a regular basis. The feedback in relation to the work of SMET has been positive. There have, however, been calls from members of the European Parliament and from business stakeholders for even more transparency on the work done by SMET.

SMET members and the SMET secretariat continued to follow up on stakeholders' publications and to organise bilateral exchanges on topics of key importance for the Single Market. Since last year, SMET organises an annual exchange with business stakeholders. A second workshop with participation by business representatives was organised on 27 November 2023 by the Italian, the German, and the Commission SMET teams.

Presentations by companies operating in specific fields have been delivered at SMET meetings to illustrate the existing barriers in the Single Market and the main problems for businesses, as well as the solutions to those problems as seen by them. This reinforced cooperation equips SMET and sherpa members with more arguments and evidence for their discussions with national authorities. The presentations by companies also inform the discussions on identification of good practices, notably to reduce administrative burdens. An example of the reinforced interaction with stakeholders is their involvement in the flagship projects on cross-border provision of services and on streamlining permitting procedures for renewable energy projects.

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7   https://ec.europa.eu/internal_market/smet
8   Competitiveness Council from 1st December 2022
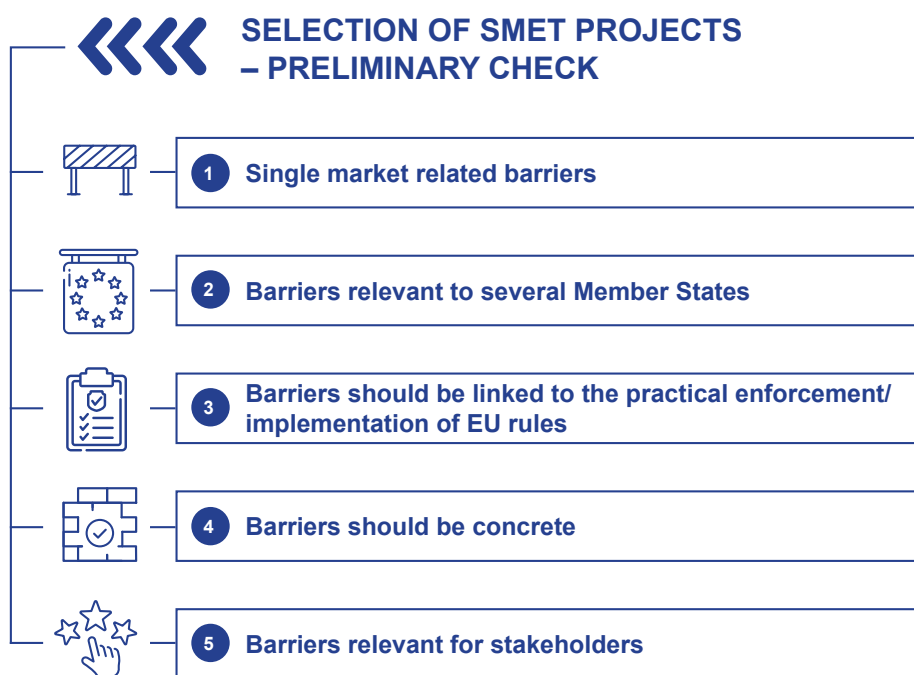9   IMCO meeting of 2nd March 2023

To increase transparency, the SMET website has been revamped to show more information on what has been achieved. The new website provides the most important information about SMET's members, structure, working methods, ongoing and closed projects, meetings, and annual reports. Various visualisation methods are used, to make the presentation of the intermediate and final results of the projects more understandable and reader-friendly.

Along with the objective of making its work more transparent through the new website, SMET also seeks to boost the involvement of all relevant stakeholders by receiving additional feedback on the outcomes of its projects. Cooperation with business organisations and companies is paramount and has been strengthened further to better explore the key challenges they face when operating in the Single Market, as well as to ensure that SMET's work is focused on the priorities that matter for stakeholders. In this regard it is important that stakeholders provide concrete and focalized information on the barriers they face.

1.4. SMET projects

The work of SMET is organised around different projects. Project ideas are collected from various sources, including Member States, Commission and stakeholders. New projects are chosen following broad criteria (see below) at the beginning of the year after agreement in SMET. However, in view of the limited resources and to prevent the escalation of the ongoing work and therefore dispersion of efforts, SMET agreed to limit the number of ongoing projects. Once projects are agreed by SMET members, they are further developed, and discussed during general sherpa meetings on a structural basis.

SMET projects focus on removing concrete barriers to the Single Market. During the three years of work, SMET members and sherpas acquired experience in selecting, through this forum, those projects that can deliver the most impactful results. The potential projects should be carefully assessed and the work well prepared and planned. To guide this process, a checklist of possible new projects was developed. For example, the issue should be relevant for most Member States, concrete and well defined.[10]

SELECTION OF SMET PROJECTS – PRELIMINARY CHECK

1. Single market related barriers
2. Barriers relevant to several Member States
3. Barriers should be linked to the practical enforcement/ implementation of EU rules
4. Barriers should be concrete
5. Barriers relevant for stakeholders

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10   For a more thorough overview of the selection criteria, see Annex 2 -SMET projects – selection checklist.

2. Ongoing work and achievements

Four SMET meetings and eight sherpa meetings were organised in the past year[11]. During thematic sherpa meetings the projects were discussed in depth and concrete actions were agreed. These actions are generally based on best practices identified by users and in line with the Single Market rules.

In 2023, SMET finalised its work on two projects that concern professional qualifications:

- Cross-border restrictions for professionals who provide services on a temporary and occasional basis: prior checks on qualifications (Section 2.1).
- Cross-border restrictions for professionals in relation to the recognition of professional qualifications: excessive document requirements (Section 2.2).

SMET continued to work on projects which started in previous years:

- Streamlining permitting procedures for wind and solar energy projects (Section 2.3).
- Streamlining administrative requirements for cross-border service providers (Section 2.4).
- SOLVIT (Section 2.5).

Based on the 2023 workplan[12] and the Single Market at 30 Communication[13], SMET launched initiatives in the following areas:

- IBAN discrimination (Section 2.6).
- Improved functioning of the IMI (Section 2.7).

Furthermore, SMET facilitated discussions and exchange of experience on the organisation of work on the Single Market matters in the Member States and on the Single Market Office concept.

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11   See Annex 1 for a more detailed overview of SMET meetings

12   The 2022 SMET workplan was adopted at SMET meeting on the 17 December 2021.

13   https://single-market-economy.ec.europa.eu/publications/single-market-30_en

2.1. Cross-border restrictions for professionals who provide services on a temporary and occasional basis: prior checks on qualifications

Background

Reducing the number of prior checks on the qualifications of professionals is one of the first SMET projects. It seeks to remove unjustified prior checks that national authorities can impose on professionals from other Member States. When authorities impose such a prior check, the professional must go through a complex procedure and cannot start work before it has finished. This usually takes several months. Prior checks thus create a substantial barrier in the Single Market for professionals who operate in other Member States.

Prior checks can serve an important function to safeguard the safety of the service recipient. Prior checks should only be permitted if the profession concerned has public health and safety implications and only to the extent that such a check is necessary to avoid serious damage to the health or safety of the service recipient due to lack of professional qualification of the service provider. However, over the years prior checks have also been implemented for professions for which they do not seem necessary and/or proportionate. As with other requirements, once they have been put in place removing such prior checks is a difficult exercise for Member States.

Objectives

To facilitate the free movement of services provided by regulated professionals by reducing the number of prior checks of their professional qualifications imposed by Member States where these are excessive. The justification for prior checks that are maintained should be updated, if necessary.

Deliverables

- Member States screened the 804 prior checks for different professions – out of 1200 existing prior checks as reported in the database of regulated professions.
- For 503 prior checks for professions, the concerned Member State concluded that the justification seemed to meet the conditions for a prior check and updated it where needed.
- Member States further committed to removing 301 prior checks for professions where they concluded that the prior check was not proportionate.
- Some notable results are:
  - France, Italy, Poland and Portugal committed to removing a significant number of prior checks they previously had in place.
  - Czechia, Latvia, Lithuania, the Netherlands and Romania committed to removing a high percentage of the prior checks they previously had in place.
  - Of course, there are also Member States that didn't have many prior checks in place to start with. Examples of this are Bulgaria, Estonia, Greece, Spain, Croatia, Latvia, Malta, Romania, Sweden and Slovakia.
- Much attention was also given to updating the Regulated Professions database, after modifying the national legislation if needed, and to better explain the reasons for such prior checks[14].

The Commission will remain attentive to potential barriers relating to prior checks. If necessary, enforcement steps will be taken, to complement Member States's efforts and to improve the functioning of the Single Market.

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14   https://webgate.ec.europa.eu/regprof/index.cfm?fuseaction=home.home

Figure 1 – Number of professions with prior checks suggested for removal and number of prior checks Member States committed to remove.

Legend:
- Prior checks suggested for removal (dark blue)
- Total number of prior checks to be committed to remove (light blue)
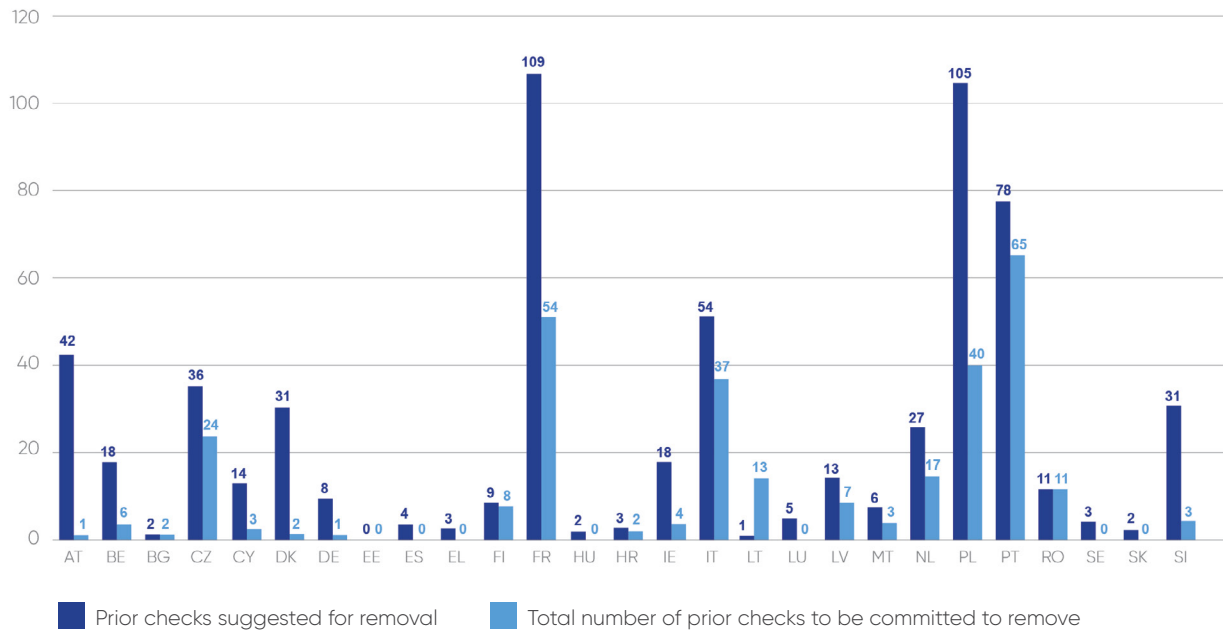
2.2. Cross-border restrictions for professionals in relation to the recognition of professional qualifications: excessive documentary requirements

Background

Getting their qualifications recognised often is a complex and cumbersome procedure for professionals coming from another Member State. It often requires them to provide many documents, takes a considerable amount of time and the outcome of the procedure is by no means certain.

If Member States introduce documentary requirements as part of the process of recognising qualifications for professionals who wish to establish themselves or provide services in that country, the requirements must be in line with EU law. Excessive and outdated documentary requirements, however, make it more difficult for professionals to work abroad. Furthermore, these documents might not always provide the desired information or assurances. IT-based cooperation and the use of information exchange tools such as the Internal Market Information System (IMI) or the Once and Only Technical System (OOTS) of the Single Digital Gateway can render certain requirements redundant (e.g. translations or certified paper documents).

The project was implemented in two stages. In the first one, Member States agreed to screen the regulated professions, describe the existing documentary requirements and tried to remove those that are excessive. Due to the broad scope of the project and the difficulties for Member States to identify all the document requirements in the different procedures for recognition of qualifications, the results were very limited and heterogeneous in nature.

To facilitate this work, SMET launched the second stage of the project. This was focused on two specific documentary requirements – certified translations and certified copies, which appeared among the most burdensome requirements.

🎯 **Objectives**

The overall objective of the project is to facilitate the free movement of professional in the Single Market by reducing the number of excessive documents required by national authorities in order to recognise qualifications, which proved to be burdensome and unnecessarily delaying the process. It fits into the emphasis on reducing reporting burden and streamlining administrative requirements.

Deliverables

- In the first stages of this project, SMET members scanned the documentary requirements for recognising qualifications, to identify those that were disproportionate.
- Due to the broad scope of the project and the significant number of regulated professions, procedures and competent authorities, Member States reported having difficulties to screen all document requirements for all the regulated professions in the sectors identified. The results were partial and heterogenous.[15]
- To focus the work more and achieve concrete results, SMET agreed to work on two of the most burdensome requirements for recognition: certified translations and certified copies. One of the possible approaches was the use of machine translations to support the confidential exchange between the national authorities, as needed.
- Despite all the efforts, the achievements are relatively modest in several Member States. The overview of results can be seen in the table below. Notable results are:
  - Portugal, Czechia and Latvia were able to start working on removing both requirements completely. Based on this commitment laws and/or procedures to put this improvement into practice are being amended.
  - Ireland, Lithuania and Romania informed they were working on removing the requirement for certified copies completely.
  - Several Member States had already removed one or both of the requirements for all procedures previously, or had never imposed them. Those include Denmark, Estonia, Finland, Italy, Lithuania, Luxembourg, Malta, Poland and Slovakia.
  - Many other Member States managed to remove the requirement for certified translations and/or certified copies for several professions, but not for all.
- The project had limited success, but SMET members agreed to continue monitoring this issue after the end of the project. At the same time, the Commission will also monitor the excessive documentary requirements in light of the commitment made to reduce reporting obligations with 25%. In any case, Member States will need to follow-up on this matter to comply with the requirements of the OOTS.

Table 1 – State of play of the document requirements per Member States

	AT	BE	BG	CY	CZ	DK	DE	EE	EL	ES	FI	FR	HU	HR	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SK	SI
Certified Translations	PI	PI	PI	PI	YES	PI	PI	OK	X	PI	OK	X	X	PI	PI	OK	OK	OK	YES	OK	PI	OK	YES	PI	PI	OK	PI
Certified copies	PI	PI	PI	PI	YES	OK	PI	OK	X	PI	OK	X	X	PI	YES	OK	YES	PI	YES	PI	PI	OK	YES	YES	PI	OK	PI

🟩 Requirements were already in line   🟧 Suggested removal will be fully implemented   🟨 Suggested removal will not be fully implemented   ⬜ No response

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15   Based on amongst others the lessons learnt in this project SMET further developed what kind of projects SMET can successfully run. This resulted in the checklist for new project and an increased focus on tangible, workable actions within SMET projects.

2.3. Streamlining permitting procedures for wind and solar energy

Background

Greening our economy and making it more resilient and sustainable requires significant investment in renewable energy sources. Furthermore, the recent energy crisis showed that we need to ensure a better supply of energy. However, despite some improvements, lengthy and complex permit-granting procedures across Member States remain a key bottleneck for the deployment of wind and solar energy installations, entailing significant costs and risks for project developers and investors. Stakeholders consistently highlight the need to improve permitting in light of the 2030 renewable energy targets. This is necessary to avoid unnecessary delays in investment, realisation of projects with outdated and less efficient technology, and a lack of mature project participation in auctions. The European Wind Power Action Plan presented by the Commission on 24 October 2023 announced further concrete actions to support the EU wind manufacturing sector by, inter alia, increased predictability and faster permitting.

Objectives

The general objective of the project is to support the green transition by boosting the development of renewable energy projects. This would be achieved by eliminating administrative (process-related) barriers to the permit-granting process and by supporting the introduction of selected practices for improving the permitting.

Actions taken

- To help tackle the above-mentioned challenges, at the beginning of 2022 SMET reviewed more than 170 administrative barriers reported by stakeholders in the RES simplify report[16].
- In cooperation with officials from national energy and climate authorities, SMET members confirmed and agreed to work on removing more than half of them. Measures to address 90 barriers were proposed.
- Around 60% of the confirmed barriers are to be tackled by the end of 2023. The measures for the remaining barriers require longer implementation deadlines. SMET continues to monitor the implementation of the agreed measures.

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16   Technical support for RES policy development and implementation – simplification of permission and administrative procedures for RES installations (RES Simplify) - Publications Office of the EU (europa.eu)

Figure 2: Implementation of the measures for addressing the confirmed barriers to RES permitting

Legend: Implemented | To be implemented by end-2023 | To be implemented at a later stage

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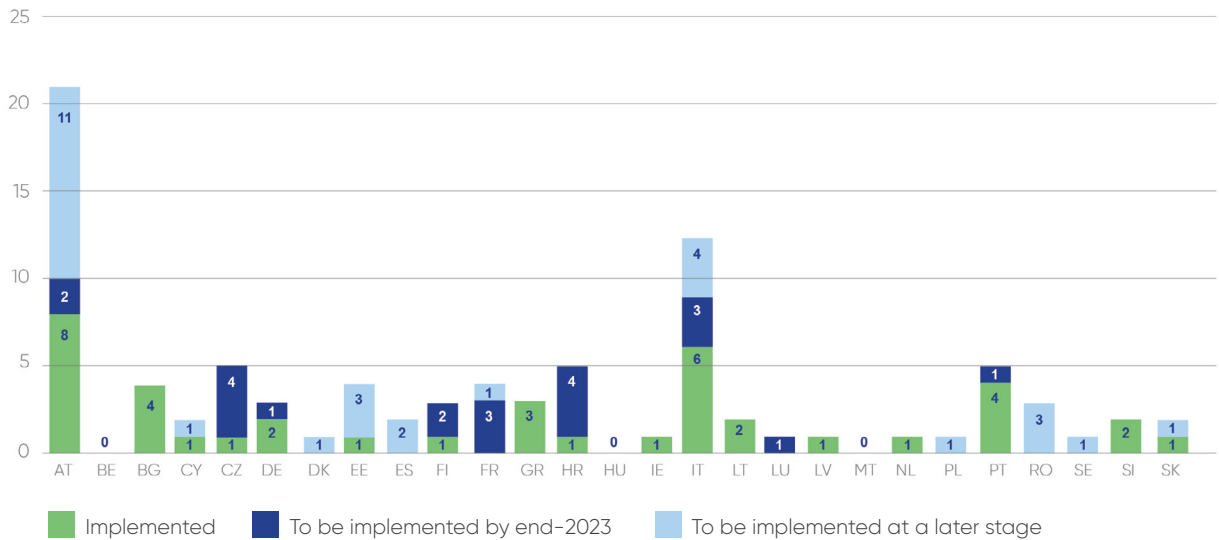
- As a second workflow under this project, SMET also decided to select several key solutions for improving the permitting process and to see how they are implemented in practice on the ground in Member States. Those include:
  - clear information on the whole permitting process;
  - a one-stop shop, limiting the number of authorities involved to what is necessary;
  - clear deadlines;
  - implementing the principle of tacit agreement/positive administrative silence (under clearly defined conditions and unless a reply is required by EU law) for parts of the permit granting process.
  - digital permitting.
- These solutions are in line with existing EU legislation and recommendations and have been identified by stakeholders as highly important for a smooth process of issuing permits for wind and solar energy installations.
- By the end of September 2023, 26 Member States had reported on the state of play regarding these five key solutions/practices for improving the permitting process for renewable energy.
- Despite good progress overall, further effort would be needed to boost uptake of the solutions. For example, currently 10 Member States reported that clear information is already provided, while a one-stop shop is functioning in 9 Member States.
- On 10 October 2023, SMET organised a thematic sherpa meeting for exchanging good practices and lessons learned on one-stop shop and digital permitting. Four of the most advanced Member States shared their experience with the others.
- More thematic sherpa meetings on sharing good practices for renewable energy permitting will be organised in 2024.

Table 2: Implementation of the key solutions/selected practices for improving renewable energy permitting in Member States

	AT	BE	BG	CY	CZ	DK	DE	EE	EL	ES	FI	FR	HU	HR	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SK	SI		OK	IM	YES	NO
Clear information	IM	OK	IM	OK	OK	OK	YES	OK	YES	IM	IM	OK		YES	OK	IM	IM	YES	IM	OK	YES	IM	OK	OK	IM	YES	IM		10	10	6	0
One stop shop	YES	OK	IM	OK	YES	OK	OK	OK	IM	OK	OK	NO		NO	IM	IM	NO	YES	YES	OK	OK	YES	IM	IM	YES	NO	YES		9	6	7	4
Clear deadlines	YES	OK	OK	IM	OK	OK	OK	IM	OK	OK	OK	OK		YES	IM	OK	OK	OK	OK	OK	OK	OK	OK	OK	YES	YES	IM		18	4	4	0
Tacit agreement	NO	NO	IM	NO	NO	YES	OK	OK	OK	OK	NO	NO		NO	YES	OK	OK	YES	YES	NO	NO	OK	OK	NO	OK	OK	IM		10	2	4	10
Digital permitting	IM	OK	IM	IM	IM	OK	OK	OK	IM	IM	OK	OK		YES	IM	IM	IM	OK	OK	OK	OK	IM	IM	OK	OK	IM	IM		12	13	1	0
																													59	35	22	14

Legend: Suggested solution / practice is already in place | Suggested solution / practice is in the process of implementation | Suggested solution/ practice will be further discussed | We do not plan to introduce this practice

96% of the Member states replied so far

- So far, most of the reported progress has been in amending the national legislation. Further work is needed to ensure that these practices work well on the ground too. SMET's objective is to encourage the consideration of the selected solutions/practices at national level, including by facilitating the exchange of experience.
- Under the project, close cooperation has been established with the Commission experts and national authorities working on energy and environmental policies, the European Semester and the Recovery and Resilience Plans to ensure that there is a good complementarity of all actions.
- Furthermore, five Member States (Finland, Ireland, Lithuania, Netherlands and Slovakia) are benefiting from technical support on renewable energy permitting under the dedicated flagship[17] of the Technical Support Instrument (TSI)[18]. Permitting was also addressed in a TSI project that supported 17 Member States in defining their new energy strategy and implementing the REPowerEU initiative.
- The work on improving the permit-granting process for renewable energy projects served also as an inspiration for the Net Zero Industry Act proposal.

2.4. Streamlining administrative requirements for cross-border service providers

🗎 Background

Enforcing existing rules and removing Member State-level barriers, in particular barriers to the cross-border provision of services is a priority for the Single Market as underlined in the Single Market at 30 Communication[19]. At the same time the Communication emphasizes that the EU model of a social market economy relies on high social standards as promoted by the European Pillar of Social Rights. The complex administrative requirements for cross-border service providers remain a significant barrier in the Single Market. The complexity and the administrative burden of the administrative requirements put into place for cross-border service providers feature high on the list of Single Market barriers during consultations of stakeholders, in workshops and reports on the Single Market.

A company active in the semi-conductor industry presented to SMET the challenges it has faced when providing cross-border services. It showed that even large companies from high-priority sectors face significant challenges when sending their skilled workers to other Member States. Complying with the requirements means considerable time, cost and resources spent. Because of their lack of experience and resources SMEs are even more exposed to these barriers.

Administrative requirements must be justified and proportionate. The freedom to provide services needs to be in balance with the protection of workers' rights. The impact of some of the administrative requirements have a negative influence on the free movement of services in the Single Market and the competitiveness and resilience of the European economy. In sum, it is important that social standards such as worker protection are maintained, and their efficient enforcement is ensured. Reducing bureaucracy and further development of these standards must go hand in hand. Only in this way, the provision of cross-border services can be facilitated and the single market for services be expanded.

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17   Accelerating permitting for renewable energy (europa.eu)

18   https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/technical-support-instrument/technical-support-instrument-tsi_en

19   Communication of the Single Market at 30: EUR-Lex - 52023DC0162 - EN - EUR-Lex (europa.eu)

🎯 Objectives

To identify and apply practical solutions that will reduce the administrative burden on providing cross-border services, while at the same time protecting workers.

Actions taken

- SMET identified eight best practices (applied by some Member States) that reduce the administrative burden imposed on cross-border services providers. See page 15 for the complete overview of the best practices identified.
- SMET members identified which of these eight best practices are applied or can be considered in their country.
- In total, Member States have or are considering applying 54 improvements based on the best practices identified in SMET. (See table 3 for a complete overview of best practices in the Member States.)
- Currently, SMET members are working with the national experts responsible for labour affairs on if and how these best practices can be implemented. This is not an easy task, as the impact of the potential national implementation of these best practices on effective enforcement and the protection of posted workers needs to be properly examined. For this, all relevant stakeholders, such as enforcement authorities, need to be incorporated in the decision-making process. In this context, an overall assessment is necessary that considers the individual circumstances and the overall legal framework in the individual Member State.
- SMET also organises sherpa meetings dedicated to specific best practices. For example, Germany shared their experience with a targeted approach, showing the benefits of its usage. More presentations on good practice will be organised in future.
- To support the uptake of best practices and the use of a country-specific approach to implement them, the Commission held so far bilateral meetings with Spain, Poland, Czechia, Sweden, Netherlands, Ireland, Portugal, Slovenia, Luxembourg, Finland, Italy and Austria.

Table 3: State of play of the selected best practices per Member State

	AT	BE	BG	CY	CZ	DE	DK	EE	EL	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SI	SK		OK	YES	NO
1. Targeted	NO	NO	NO	NO	NO	OK	NO	NO	NO	NO	YES	NO	YES		YES	NO	NO	YES	YES	YES	YES	NO	YES	NO	NO	NO	NO		1	8	17
2. Short-term	NO	NO	NO	NO	NO	OK	NO	NO	NO	OK	YES	NO	YES		YES	NO	OK	NO	YES	YES	YES	NO	YES	NO	NO	YES	NO		3	8	15
3. Grace	NO	NO	NO	NO	OK	OK	NO	NO	NO	NO	OK	NO	YES		OK	NO	NO	YES	YES	NO	NO	OK	YES	NO	NO	YES	OK		6	5	15
4. Documents	NO	NO	OK	OK	OK	YES	OK	OK	OK	NO	NO	NO	YES		NO	NO	OK	YES	NO	YES	NO	OK	OK	NO	OK	NO	OK		11	4	11
5. Provide	NO	OK	NO	OK	YES	YES	OK	OK	NO	NO	NO	NO	YES		OK	YES	NO	YES	YES	YES	NO	NO	YES	NO	OK	YES	NO		7	9	10
6. Translations	OK	NO	NO	OK	YES	NO	OK	OK	OK	NO	OK	NO	YES		OK	NO	OK	NO	NO	NO	YES	OK	YES	NO	OK	OK	NO		11	4	11
7. Presence	OK	OK	OK	OK	OK	YES	YES	OK	NO	OK	OK	NO	YES		OK	YES	OK	YES	YES	OK	NO	NO	OK	YES	NO	OK	NO		13	7	6
8. Availability	OK	NO	OK	OK	OK	OK	OK	OK	OK	OK	OK	OK	YES		OK	NO	OK	YES	OK	OK	OK	OK	OK	OK	NO	OK	OK		21	2	3
																													73	47	88

YES Suggested best pactice will be further discussed   **OK** Administrative requirements were already in line   **NO** Suggested best practice will not be considered

Targeted approach: applying the administrative requirements (such as making a declaration or providing documents) only for services where it matters the most, and not in areas where the risk is low.

Short-term exemptions: exempting service providers from the administrative requirements if their work takes less than a certain number of days.

Grace period: allowing service providers to delay making their declaration until the end of the first day when the work starts.

Best practices in certain Member States and put forward in SMET

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Availability contact person: not requiring the contact persons to be available after the posting

Physical presence of contact persons: not requiring the contact persons designated for liaising with the host Member State authorities to be physically present in country (unless they would anyway be present for the service provision as such).

Translation requirements allowing service providers to provide the documents in any EU language. This means that the host Member State authorities use machine translation tools to translate the documents into the language they require.

Number of documents: – limiting the number of documents that service providers must keep or make available during their period of posting to the host Member State (e.g. their period in the workplace) to an employment contract, payslip and time sheets

Requesting documents: giving service providers a reasonable period of time (x days) to provide the required documents, once requested by the host Member State authorities. This means that the service providers are not obliged to prepare the package of documents before each posting and then to keep the documents at the workplace during the posting.

2.5. SOLVIT

Background

SOLVIT is a network of 30 national centres based in government departments and agencies in all EU Member States and in Iceland, Norway and Lichtenstein. SOLVIT centres solve problems for citizens and businesses, that they encounter when moving or doing business cross border, caused by misapplication of EU law by public authorities.

Every year, SOLVIT handles approximately 2,500 cases which cover all four fundamental Single Market freedoms: free movement of goods, persons, services and capital. SOLVIT data was one of the main sources of the Single Market Barriers Report (2020), which identified a number of obstacles preventing businesses from exploiting the full potential of the Single Market.

SOLVIT manages to resolve on average 85% of the cases that it handles every year. However, some of its unresolved cases relate to either a written rule (structural) or an administrative practice (recurrent) that is in breach of EU law, or due to gaps in EU law. In addition, SOLVIT receives many repetitive cases that, although they are able to be solved, demonstrate a wider problem in the application of Single Market legislation. Examples include social security coordination and free movement of persons/ residence rights.

SOLVIT and SMET share the common objective of facilitating the smooth functioning of the Single Market by removing barriers. Therefore, it is worth exploring the synergies between their work. Furthermore, general issues such as staffing and training the SOLVIT centres, and better liaison between ministries and SOLVIT Centres, are also being addressed by SMET.

Objectives

To further improve the functioning of SOLVIT and increase its effectiveness and efficiency in dealing with barriers of the Single Market by:
• using data and evidence from SOLVIT cases in SMET on already identified priorities and proposing new priorities for future work programmes.
• establishing or reinforcing cooperation between SOLVIT centres and SMET sherpas or SMET members at national level.
• improving the administrative capacity and staffing of SOLVIT centres and using SOLVIT experience in EU policy and compliance work at national level.

Action taken

• Data from SOLVIT cases, in particular recurrent and structural cases, is being analysed and used by SMET for its work on the current projects, as well as for identifying future priorities. One of the newly launched SMET projects, IBAN discrimination, also used the evidence from structural SOLVIT cases. Some areas that were indicated by Member States (like professional qualifications) are already covered in SMET workstreams, while others (like social security, visas/residence permits) do not fall under SMET's remit.
• 20 Member States reported back about dedicated meetings that were organised as a follow up to the SMET discussion, to establish or improve cooperation between SOLVIT and SMET sherpas/ members on addressing issues identified by SOLVIT.
• SMET members contacted the management of the SOLVIT centres and checked with them the follow-up to commitments made at package meetings on staffing and awareness-raising activities for business.

2.6. IBAN discrimination

Background

Citizens and businesses that operate in other Member States are sometimes unable to use their IBAN number because it has the country code of their home EU country and/or has a different length. To make and receive payments, they are forced to open a new bank account in the host Member State. This is not always easy, especially if the company is not established in or the citizen does not live in the Member State from/to which the payment is made. For businesses, this IBAN discrimination might even force them to give up their cross-border activity.

IBAN discrimination happens both in the private sector and in public services. Most IBAN discrimination complaints concern telecom providers and the utility sector. However, the consequences of rejection of foreign IBANs by public authorities can be more serious because often there is no alternative to the public service in question. Business might not be able to pay their taxes, get back their VAT, apply for tenders or obtain certificates. Citizens, for their part, can face difficulties for instance with tax authorities and in receiving pensions or getting reimbursement for medical expenses.

The EU has implemented rules to address IBAN discrimination within Member States, with the Single Euro Payment Area Regulation (SEPA Regulation (EU) No 260/2012). Article 9 of SEPA Regulation states that a payer or payee shall not specify the Member State in which the account to be debited or credited is located. Despite this directly applicable rule, some companies and even public administrations still refuse to make or receive payments (direct debits or credit transfers denominated in euro) to/from non-domestic accounts.

Cases of IBAN discrimination are reported through various sources, including SMET, SOLVIT, Your Europe Advice as well as stakeholder forums.
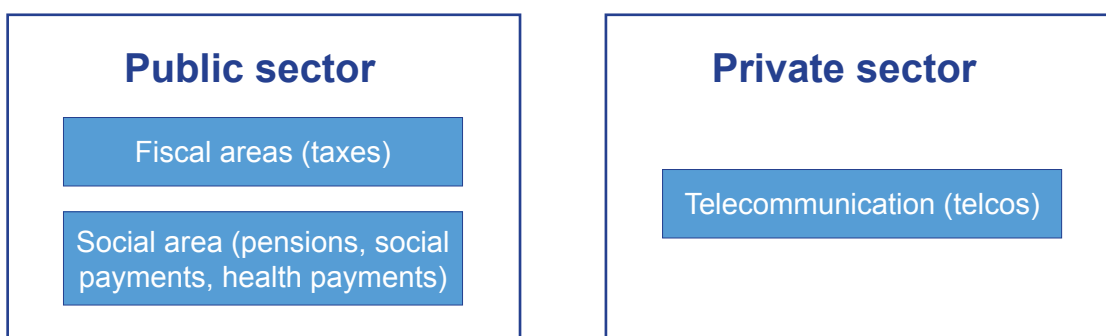
Objectives

The objective of the project is to remove IBAN discrimination from the public and private sectors in selected areas. These areas were prioritised when the project was started, but more could be considered at a later stage. In addition, awareness of the issue can be increased as well.

Actions taken

- The project started in September 2023, and it is at a very early stage.
- SMET members agreed to focus on a few areas where high impact could be achieved. These areas were chosen on the basis of complaints received from stakeholders. As regards public services, SMET will work on taxes, welfare payments, pensions and health care payments (health insurance contributions and reimbursement of medical expenses). In the private sector, priority will be given to the telecommunications sector.

IBAN Discrimination - SMET focus areas

Public sector

- Fiscal areas (taxes)
- Social area (pensions, social payments, health payments)

Private sector

- Telecommunication (telcos)

- During the first stage of the project, SMET members agreed to do a mapping of the existing IBAN discriminatory practices in the selected areas. To collect the information, they started to work together with the responsible national authorities and stakeholders. Preliminary findings show that authorities in many Member States did not identify cases of IBAN discrimination.
- In addition, SMET members also try to identify, with the help of the competent national authorities, the reasons behind these practices. These may include national legislation, the internal rules of the organisation in question, software restrictions or lack of knowledge about the rules.
- Receiving information about the reasons for non-acceptance of foreign IBANs would be helpful for the next stage of the project, when Member States agreed to develop and present measures for addressing the identified IBAN discrimination practices in the selected areas.
- Furthermore, SMET will facilitate the exchange of experience and good practices between Member States.
- The last stage of the project will be the implementation of the agreed measures and reporting on the achievements.

2.7. Improved effectiveness of the IMI

Background

When individuals, whether they are citizens, employees or businesses, decide to make use of their freedoms in the Single Market and start to move and work abroad or start a business there, public administrations are obliged to mutually assist each other and cooperate to make these actions as smooth as possible. Rather than soliciting information between themselves via the usual channels of emails, phone calls, official letters (and at the same time coping with bureaucratic and language barriers), these public authorities use the Internal Market Information System (IMI) instead.

This system was established to streamline and secure cross-border information exchange among public authorities, providing a multilingual and reliable tool where those exchanges can take place. Using IMI public authorities can get in touch and request information directly from their counterparts in other public entities. For citizens, employees and businesses, instead of being required by public authorities to provide information, the exchange of essential information takes place effortlessly and reduces their administrative burden.

For the IMI to bolster public services optimally, its reliability in terms of receiving a relevant and timely reply is of paramount importance. Public authorities must have the assurance that the information they requested from their counterparts will not only reach them but will arrive swiftly via the IMI. Consequently, the processing of information requests by the receiving public authorities must be consistent and prompt. This mechanism typically operates effectively. Nevertheless, there are instances when requests may encounter considerable delays. This situation poses challenges for the requesting public authorities, as they are mandated to furnish timely responses to the applicants. Moreover, sluggish or unmet requests may erode the overall efficiency of the IMI.

As a follow-up to the Single Market at 30 Communication[20] SMET facilitated an exchange of views on the Single Market Office concept.

The implementation of the Single Market policies and rules requires the constant and intensive involvement of a large number of national authorities (ministries, departments, agencies, etc.). It is sometimes challenging to adjust their priorities, coordinate them and guide them properly towards the efficient achievement of their collective goals in the Single Market. In this respect, in its Single market at 30 Communication[21] the Commission put forward the idea of the Single Market office: *"The Single Market also needs a dedicated voice within national administrations. The Commission therefore proposes to each Member State to establish a dedicated Single Market office to address Single Market barriers. This office should have senior leadership and appropriate resources, and a standing brief to proactively raise issues and propose solutions within the national decision-making system. This work would be complementary to collaborative tools such as SOLVIT and SMET and could contribute in particular to addressing the remaining barriers for services."*

This Commission proposal does not prescribe how these offices should fit into national administrative structures. It is up to Member States to decide if there is a need to reinforce the existing departments or units, to shift the responsibilities or to create the new departments. The national context, administrative arrangements and traditions of each Member State should of course always on the lead.

Without the solid administrative structures responsible for the Single Market at national level, SMET will not be able to deliver the expected results. Therefore, SMET members and sherpas started to exchange their best practices related to their work with the other national institutions. Their experience at the heart of the Single Market policies and their extensive knowledge about the achievements and challenges in their respective Member States are very valuable in this respect. SMET members agreed to continue with this exchange.

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20   Communication on the Single Market at 30: https://single-market-economy.ec.europa.eu/publications/single-market-30_en
21   Communication on the Single Market at 30: https://single-market-economy.ec.europa.eu/publications/single-market-30_en

3. Future directions

For the next reporting period, the work of SMET will remain focused on removing the most pressing barriers to the Single Market, especially those affecting the green and digital transition. Efforts for the ongoing projects, including the flagships on streamlining the permitting for wind and solar energy projects and on facilitating the cross-border provision of services, will be continued.

With the closure of the projects on prior checks and document requirements for the recognition of professional qualifications, SMET will have the possibility to dedicate resources to new workstreams. SMET members will continue investigating areas where Single Market barriers exist and will look for possible SMET interventions. Summary of possible areas of interest:

- Free movement of services and digital transition – administrative burdens, including for cross-border provision of services, lack of harmonised digital procedures, lack of mutual recognition of certification schemes for green services, barriers to establishment in another Member State.
- Retail – retailers operating cross-border are often confronted with restrictions that hinder their establishment and/or operations (as an example see the Retail restrictiveness indicator[22]). Furthermore, supply chain restrictions are also reported as a major barrier.
- Packaging and labelling requirements – diverging national requirements for packaging and labelling (packaging waste, durability and reparability of the products, etc.) fragmenting the Single Market and adding costs for companies trading cross-border.
- Mutual recognition of non-harmonized goods – The application of the mutual recognition procedures is still not optimal. In certain sectors, like food supplements, there are many complaints regarding the misapplication or not applying the mutual recognition procedure.
- In addition, SMET is examining the possibilities of addressing the length of the approval process for biosolutions which delays their access to the Single Market and lowers their economic viability.

To ensure that it can deliver the best possible results, SMET is constantly looking into the possibilities of strengthening cooperation with other services at EU and national level. Getting strong political support from the Competitiveness Council and the European Parliament is key for SMET to successfully deliver on its ambitious objectives. Furthermore, steps have been taken to make the SMET report an integral part of the broader package on the Single Market, together with the Annual Single Market and Competitiveness Report and the Single Market Scoreboard. SMET's achievements and objectives will be discussed at the Competitiveness Council in 2024.

Other key priorities for SMET remain the transparency and stakeholder involvement. The new SMET website[23] contains more detailed information on closed and ongoing projects. This will help interested parties in understanding the concrete benefits of the work done by SMET and enhance interaction between SMET and all relevant stakeholders.

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22   Retail Restrictiveness Indicator (RRI) - European Commission (europa.eu)

23   Single Market Enforcement Taskforce (SMET) - The EU Single Market - European Commission (europa.eu)

Annex 1: Overview of the SMET meetings

Sherpas agreed to work further on reducing the number of prior checks for professions and limit the requirement for certified translations and official copies of documents.

10 November 2021

SMET members discussed the administrative burdens for cross-border service providers and had an exchange with stakeholders on the topic.

25 November 2022

26 January 2023

Sherpas discussed the work program for the year ahead and the possible new SMET priorities.

SMET members in Brussels. They reviewed the state of play of current projects and had an exchange with stakeholders on the challenges and solutions for improving the renewable energy permitting.

14 March 2023

24 April 2023

Sherpas reviewed the progress with addressing the process-related barriers to permit-granting for wind and solar energy projects. They also agreed to report on the implementation of 5 selected practices for improving the permitting and to facilitate the exchange of experience on those.

Sherpas discussed the importance of IMI for the Single Market, the challenges it faces and the ways to further improve its functioning.

23 May 2023

12 June 2023

Sherpas exchanged on the implementation of the targeted approach for lowering the administrative burden for cross-border service providers. Germany made presentations and shared their experience in applying this best practice.

SMET members focused on the progress made with the projects on renewable energy permitting, and the cross-border provision of services. They also had their first discussion on the Single Market Office concept.

20 June 2023

5 September 2023

Sherpas had an exchange on the Single Market Office concept and discussed the structure and the content of the new SMET website.

Sherpas had the first discussion on the new project idea for tackling IBAN discrimination. They agreed on the potential areas to be covered and on the implementation steps.

11 September 2023

19 September 2023

SMET members agreed to close the projects on prior checks and document requirements for the recognition of professional qualifications. They also approved the launch of the new project on tackling IBAN discrimination.

Sherpas reviewed the progress with the project on streamlining permitting for wind and solar energy installations. Denmark, Germany, Cyprus, and Estonia presented their good practices for one-stop shop and digital permitting.

10 October 2023

28 November 2023

SMET members met in Brussels. They assessed the progress with the ongoing projects and agreed on the next steps. They also exchanged experience on the organization of activities related to the Single Market.

Annex 2: SMET projects – selection checklist

Selection Of Smet Projects – Preliminary Check List
(What Smet Deals With And What It Does Not)

1 Single market related barriers

- Obstacles can be linked to the free movement of goods, services, people or capital within the EU

Examples: Reducing administrative barriers for cross-border service providers, Barriers to recognition of professional qualifications (high number of unnecessary documents; translation and certified translation of documents; prior checks etc.) affecting the free movement of professionals across the EU; Burdensome permitting procedures affecting the cross-border investment; etc.

- Relations with third countries are not subject to SMET work;
- Industrial policy;
- Competition policy.

Examples: Different requirements which concern the import of goods or the provision of services from 3rd countries; decisions of MS to provide fiscal stimulus packages, subsidies, etc.

2 Barriers relevant to several Member States

- Barriers introduced in many of the MS. Those barriers might be the same, or may vary from MS to MS, but have similar negative consequences.

Examples: 1) Under the Professional Qualifications Directive Member States are allowed to require prior checks for cross-border professionals on the basis of health or safety concerns. However, over the years all Member States have implemented prior checks for professions where there is no justified health or safety concern.

2) In all MS there are process-related barriers for obtaining RES permits. Those barriers may differ significantly from MS to MS, but they all result in delayed and burdensome permitting process.

- SMET is a collective body. Thus, issues relevant to only one or a limited number of countries cannot be tackled by it.

Examples: Price caps for certain products in one or a few MS; Introduction of a MS specific tax, etc. (unless grouped with similar issues in other MS).

3 Barriers should be linked to the practical enforcement/ implementation of EU rules

- Obstacles may arise from "gold plating", implementation deficiencies at national level, legal or administrative burdens, inefficient practices by national authorities, etc.

Examples: 1) MS asking for unnecessary documents for the recognition on professional qualifications.
2) Under the Enforcement Directive Member States can choose how to shape the administrative requirements for cross-border service providers. They can choose which service providers have to make a declaration, which documents have to be provided, when the documents have to be provided, if contact persons have to be appointed, and several more administrative requirements.

- SMET is not working on proposals for EU legislation nor on transposition of EU law.
- SMET is not engaged in proposing standards.
- SMET is not dealing with legal proceedings.

Examples: When EU harmonized legislation is necessary; when there is an infringement case, etc. few MS; Introduction of a MS specific tax, etc. (unless grouped with similar issues in other MS).

(4) Barriers should be concrete

- SMET can deal with solving specific single market issues where there is sufficient data/information available. SMET members should be able to clearly identify and describe the problem, its solutions and the timeframe for resolving it.

Examples: On cross-border service providers several very specific barriers have been identified for the SMET project – excessive documents requirements; requirement for physical presence of a contact person in the host MS, issue regarding short term exemption etc.

- SMET cannot address generally formulated problems.

Examples: Administrative requirements – general formulation without details on the specificities of those requirements.

(5) Barriers relevant for stakeholders

- Barriers tackled by SMET should have an important impact on individual or business stakeholders.

Examples: Making cross-border provision of services easier will help many EU businesses exporting/willing to export goods or services to other MS. It will save them time and money. It will be beneficial to the general population as well – more competition is contributing to higher quality and lower prices.

- Minor problems with limited real impact on stakeholders.

Examples: Barriers that affect only a limited number of citizens and/or business, that have a limit effect on cross-border activities or are theoretical in nature. Barriers that have no economic or administrative benefits for businesses when these barriers are removed.