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Public consultation on the 'Proposal to introduce a services passport and address regulatory barriers in the construction and business services sectors'

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Introduction

The <u>Single Market Strategy</u> announced several actions to further develop the single market for services. This public consultation will focus on the following interrelated actions:

- 1. Initiative introducing a services passport for key economic sectors;
- 2. Action to address regulatory barriers for key business services and for construction services;
- 3. Action on insurance requirements for business and construction service providers.

The **business services** sector includes professional, information and support activities such as accounting services, architectural services and engineering services. The focus of this consultation regarding **construction services** is on contractors (both general contractors and subcontractors) as well as developers who ultimately sell the construction product but hire contractors to perform the actual work.

The 2006 **Services Directive** covers a wide range of sectors, such as wholesale and retail, tourism, business services and construction. It excludes sectors such as financial services, network industry and health care. As to the wide range it covers, the Services Directive certainly led to a modernisation of the economy across a variety of sectors.[1]

The Services Directive obliged Member States to eliminate a number of requirements required for the provision of services in their territory from their legal framework. The Services Directive also obliged Member States to ensure that the provision of services in their territories was only subject to certain requirements such as legal form and shareholding to the extent that these requirements were justified by an overriding reason of general interest and proportionate.

The Services Directive, in line with the TFEU, established a different regime for providers established in other Member States and providing services exclusively on a cross-border basis. Since these providers are already subject to the legislation of their home Member State, the Services Directive obliged Member States to ensure that cross-border providers that want to provide services in their territory were only subject to requirements justified by the protection of public policy, public security, public health and the protection of the environment to the extent that these requirements were proportionate.

However, despite work on the implementation of the Services Directive, a number of requirements maintained by Member States still create barriers for the provision of services in other Member States. As a result, the effect has been limited for business services and construction. In 2015, the Commission carried out in-depth reviews of remaining barriers in key business services sectors and the construction sector.[2] Providers in these sectors still face regulatory obstacles such as legal form or shareholding requirements or difficulties in complying with insurance requirements when they provide services in other Member States. As a result, several business services as well as the construction sector show a low level of EU internal market integration.

This consultation aims to gather views on the need for action to address these obstacles as well as different policy options that could be pursued and their potential impact.

This consultation looks at the matter from the perspective of the providers and users of services and does not deal with employee issues and posting of workers.

The results of this public consultation will be without prejudice to potential actions that the Commission may wish to take in the future.

As per the Better Regulation principles, the results of the public consultation will be duly published, so as the responses provided, should the respondents have agreed to publicly disclose their contributions.

The attention of the public is drawn also to parallel consultations as regards the construction sector [http://ec.europa.eu/growth/tools-databases/newsroom/cf/itemdetail.cfm?item_id=8725] and forthcoming on regulated professions.

This questionnaire is divided into different sections which are not dependent on one another. In light of their interest and experience respondents can choose to reply to one, several or all sections of this questionnaire.

Sections B.1 and B. 9 are of general interest, sections B.2, B. 4 to B. 6 are likely to be of interest for providers of business and construction sectors and sections B.3 and B. 5 for service recipients in those sectors respectively. Section B. 7 is relevant for insurers for services. Section B. 8 is relevant for national authorities in the area of services. Please click directly on the section (s) of your interest:

- Section B. 1: Questions on services sectors in general (other than business services and construction) [questions 10 to 15]
- Section B. 2: Questions on business services perspective of service providers [questions 16 to 46]
- Section B. 3: Questions on business services perspective of customers [questions 47 to 52]
- Section B. 4: Questions on construction services perspective of service providers [questions 53 to 77]
- Section B. 5: Questions on construction services perspective of customers [questions 78 to 82]
- Section B. 6: Questions on insurance perspective of service providers [questions 83 to 96]
- Section B. 7: Questions on insurance perspective of insurers [questions 97 to 100]
- Section B. 8: Questions for national authorities [questions 101 to 107]
- Section B. 9: General questions on scope of the actions [questions 108 to 111]

^[1] For more details on the Services Directive and its implementation, see: http://ec.europa.eu/growth/single-market/services/services-directive/index en.htm

For co	nstruction services, see: http://ec.europa.eu/growth/single-market/services/construction/index_en.
<u>htm</u>	
A - Ir	nformation about the respondent
*	
	se indicate who you are:
0	Company providing services
	User of services
	Consumer association
	Public authority
•	Business organisation (including associations, chamber of commerce, etc.)
	Trade union
	Research institution/Think tank
	Institutions, such as national or regional parliaments
	Citizen
0	Other

[2] For business services, see: http://ec.europa.eu/DocsRoom/documents/13328/attachments/1/translati

ons/en/renditions/native

*

YesNo

	se indicate your place of residence or establishment (main headquarters in case of national companies):
0	Austria
	Belgium
	Bulgaria
	Croatia
	Cyprus
•	Czech Republic
	Denmark
	Estonia
	Finland
	France
	Germany
	Greece
	Hungary
	Ireland
	Italy
	Latvia
	Lithuania
	Luxembourg
	Malta
	Netherlands
	Poland
	Portugal
	Romania
0	Slovak Republic
0	Slovenia
0	Spain
0	Sweden
0	United Kingdom
0	Country from the EEA
0	Non-EEA country
	ease indicate whether you have an establishment in Member States other than the place e your main headquarters are located:

5. Please provide your contact information (name of organisation and/or personal name, address, and email address):

Note that submissions that are sent anonymously will neither be published nor taken into account.

The Confederation of Industry of the Czech Republic (Svaz průmyslu a dopravy ČR), Freyova 948/11, Praha 9, CZ-190 00

- *6. Would you agree to be contacted by the European Commission for possible follow-up questions on the basis of your responses?
 - Yes
 - No
- *7. Please indicate your organisation's registration number in the Interest Transparency Register

To verify, click on this link: http://ec.europa.eu/transparencyregister/public/consultation/search.do?locale=en&reset=Note: If your organisation/institution responds without being registered, the Commission will consider its input as that of an individual and will publish it as such.

If the answer is "no", or "not relevant", please indicate it also below.

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*8. Received contributions may be published on the Commission's website, with the identity of the contributor.

Please state your preference with regard to the publication of your contribution:

please note that regardless the option chosen, your contribution may be subject to a request for access to documents under Regulation 1049/2001 on public access to European Parliament, Council and Commission documents. In this case the request will be assessed against the conditions set out in the Regulation and in accordance with applicable data protection rules

- My contribution may be published under the name indicated; I declare that none of it is subject to copyright restrictions that prevent publication
- My contribution may be published but should be kept anonymous; I declare that none of it is subject to copyright restrictions that prevent publication
- I do not agree that my contribution will be published at all

*

9. Which parts of this consultation do you want to reply to? (multiple choice possible)
Questions on services sectors in general (other than business services and construction) [6] questions in total]
Questions on business services – perspective of service providers [31 questions in total]
Questions on business services – perspective of customers [6 questions in total]
Questions on construction services – perspective of service providers [25 questions in total]
Questions on construction services – perspective of customers [5 questions in total]
Questions on insurance – perspective of service providers [14 questions in total]
Questions on insurance – perspective of insurers [4 questions in total]
Questions for national authorities [7 questions in total]
General questions on scope of the actions [4 questions in total]
B.1 - Questions on services sectors in general (other than business services and construction)
 10. Do you carry out any activities in (a) Member State(s) other than your home Member State? Yes, I provide services cross-border without any permanent establishment there Yes, I provide services through a permanent presence in (an)other Member State(s) (such as a branch, agency or subsidiary) No, I only provide services in my home Member State Not applicable
11. Do you want to offer services in Member State(s) other than your home Member State? What would be your preferred way? (Multiple choice)
No, I do not want to provide services in (an)other Member State(s)
Yes, without establishing any permanent presence there
Yes, by establishing a permanent presence in other Member States through a branch (a formally registered presence)
Yes, by establishing a permanent presence in other Member States through a subsidiary (a separate legal entity incorporated for that purpose)
Yes, by establishing a permanent presence in other Member States through other means
✓ Not applicable
Please specify which ones:
500 character(s) maximum

12. What are the main challenges/issues for service providers to offer their services in other Member States?

Please tick the appropriate field, only one choice is allowed per category of reply.

	Not at all important	Rather not important	Fairly important	Very important	No opinion
Administrative issues (duration of procedures, low level of digitalisation, etc.)	•	©	©	•	•
Regulatory issues (authorisations, registrations, insurance, labour law, tax etc.)	•	•	©	•	•
Barriers from market driven domestic service standards, conformity assessments schemes.	•	0	©	•	0
Cultural specificities (language issues, culture, lack of trust, etc.)	•	•	©	•	•
Insufficient knowledge of targeted market	0	0	•	0	0
Not enough resources to expand to other Member States (staff, capital, etc.)	•	•	•	•	•
Other risks (commercial disputes, payment recovery, etc.)	0	0	•	0	0

In light of your experience, please provide detailed explanation on how these challenges have affected trade by your company:

1000 character(s) maximum

The assesment is made on the base of the survey among our member companies about the main obstacles for cross-border activities in services: 1) regulatory burden , 2) administrative burden, 3) lack of information, 4) cultural and language barriers.

13. Which of the following are important administrative obstacles faced by service providers when they want to provide services in other Member States?

<u>scale:</u> from 1 = "not burdensome" to 5 = "most burdensome"

	1	2	3	4	5	l do not know
Difficulty in accessing the necessary information on rules and procedures applicable in another Member State	0	0	0	•	0	©
Lengthy and complex procedures imposed by national authorities in other Member States to provide services in that Member State	0	0	0	0	•	0
Lack of electronic options to complete procedures imposed by authorities of other Member States to provide services in that Member State	©	©	•	0	©	0
Need to contact several authorities separately in the host Member State in order to provide services in the host Member State	0	0	0	•	0	0
Lack of trust by the host Member States authorities towards authorities and/or service providers of other Member States	0	0	•	0	0	0
Need to present certified or authenticated documents issued in the home Member State in order to complete procedures to provide services in that Member State	0	©	•	0	0	0
Need to present certified or authenticated documents issued in the host Member State in order to complete procedures to provide services in that Member State	0	0	0	0	•	0
Requirements for getting documents translated	0	0	•	0	0	0
Other (tick box 1 and answer subsequent question)	•	0	0	0	0	0

Please specify:

500 character(s) maximum

1000 character(s) maximum

The service passport should reduce administrative burden, but it will not solve the challenges for companies related to diverse national requirements for providing services in a different country (different national technical/license requirements). It is stated clearly in the Single Market Strategy that the host Member State (MS) will remain responsible for defining requirements. It means that home country might in certain cases not have access to the information that the host MS requests.

In light of your experience, please provide detailed explanation on how these administrative obstacles have affected trade by your company:

-	ecifically regarding administrative obstacles, what should be the objectives of the actions taken (if any)? (multiple choice)
V	Reduce complexity and length of procedures imposed by authorities to provide services in other Member States
V	Offer electronic options to complete procedures imposed by authorities to provide services in other Member States
	Getting more support from authorities in other Member States in order to complete procedures to provide services in their territories
V	Home Member States should set up a central interlocutor for companies to help them develop their business abroad
	Home Member States should set up a central coordinator acting towards other Member States, to help companies develop their business abroad
	Address requirements for getting documents translated
	Address requirements for getting documents translated and such translation to be certified under the rules of the host Member State
	No action should be taken
	Other
	I do not know

Please specify:

500 character(s) maximum

The creation of a database or repository is a necessary part of the passport. It should be carefully assessed whether it could be built on existing information structure such as the IMI. There should be a common interface for public authorities and clear compartments where the different information would be located and could be verified. Access to company information and identification could be linked to company register VAT number.

In light of your experience, please provide detailed explanation on how these administrative obstacles have affected trade by your company:

1000 character(s) maximum	7		

15. What would be the impact of reducing administrative barriers?

scale: from 1 = "no impact" to 5 = "significant impact"

	1	2	3	4	5	I do not know
It will save costs for service providers that provide services in other Member States	0	0	0	•	0	0
More service providers will offer their services in other Member States	0	0	•	0	0	0
It will offer more choice to customers	0	0	0	•	0	0
It will increase productivity and competitiveness of the EU business services sector	©	0	0	0	•	0
It will increase costs for service providers	0	•	0	0	0	0
It will increase costs for public administrations	0	0	•	0	0	0
Not much will change in practice	0	0	0	0	0	0

000 character(s) maximum	
reduction of administra	ncluding information on posted workers could lead to ative burdens and sees risk that this could create es on notification laid down in the 2014 Enforcement
9 - General questions	s on the scope of the actions
B. Which services sectors she ctivities through a services properties also describe why) One character(s) maximum	nould be covered by potential action to facilitate cross-border passport?
transport in general, t	tourism
9. Which business services s cross-border activities throug Please also describe why)	sectors should be covered by potential action to facilitate
9. Which business services seross-border activities through Please also describe why) 1000 character(s) maximum	sectors should be covered by potential action to facilitate gh a services passport?
9. Which business services s cross-border activities throug (Please also describe why)	sectors should be covered by potential action to facilitate gh a services passport?
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Please provide additional comments if necessary:

Please feel free to add general comments on this section:

1000 character(s) maximum

The scope has to be very clearly defined in agreement with the stakeholders directly affected, meaning the companies and sectors that are now being considered under the category "construction" and "business services". If the companies and sectors are not convinced of the added value of the passport, it will not be used as the passport is rightly voluntary. Service sectors that would fall out these two categories, but might be suitable to benefit from a well-designed services passport, must be carefully considered as well.

Contact

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