EEA-Switzerland: obstacles with regard to the full implementation of the internal market

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The European Parliament adopted a resolution on the subject EEA- Switzerland: Obstacles with regard to the full implementation of the internal market.

The resolution recalls that the four European Free Trade Association (EFTA) Members States (Iceland, Lichtenstein, Norway and Switzerland) constitute major trade partners of the European Union. Relations between the EU and three EFTA Member States (Iceland, Lichtenstein and Norway) are based on the European Economic Area (EEA) which provides for full participation in the internal market with the EEA Agreement managed and monitored in a highly institutionalised framework. There exists no such comprehensive institutional framework for managing EU-Swiss relations. Relations between Switzerland and the EU are currently based on more than 120 bilateral and sectoral agreements that provide for a far-reaching degree of integration but not full participation in the internal market.

Parliament welcomes the overall good track record of the EEA EFTA States in implementing internal market legislation. However, relations between the EU and Switzerland pose far more challenges as far as the implementation of the Free Movement of Persons Agreement (FMPA) is concerned.

Implementation of internal market rules: EEA EFTA countries: the resolution encourages the EFTA Surveillance Authority, with the assistance of, and in cooperation with, the Commission, to develop further the systematic monitoring of the implementation of internal market legislation. It notes that with the entry into force of the Lisbon Treaty uncertainty exists as to which EU legislation is EEA relevant. The resolution stresses that parliaments in the EEA EFTA States should be more closely associated with the EU legislative process as regards EEA-relevant proposals.

The Commission is called upon to provide the national parliaments of the EEA EFTA States with the legislative proposals that are sent to the national parliaments in the EU Member States for consultation.

The resolution calls on the Commission to formalise the notification process of new EU rules and legislation that fall within the scope of the EEA Agreement in order to decrease the gap between the adoption of new legislation and potential take-up by EEA EFTA States. The EEA EFTA States are encouraged to allocate adequate resources for implementing internal market legislation and considers the implementation of the Services Directive and in particular the setting-up of **single points of contact** to be of crucial importance in this connection.

Implementation of internal market rules: Switzerland: the resolution welcomes the progress made towards liberalisation of cross-border service provision between the EU and Switzerland and, in particular, the positive effects of the FMPA. The Commission is called upon to examine measures obstructing the functioning of the internal market within the EU which also pose problems for Swiss service providers, and to take measures, if appropriate.

The Swiss Government, and the Cantons, are asked to draw on the EU and EEA's experiences of opening up the services sector through the implementation of the Services Directive. Whilst welcoming the Swiss Parliament's decision to transpose Directive 2005/36/EC on the **recognition of professional qualifications** , the Parliament calls on Switzerland and the Commission to reach an agreement on the implementation of the Directive as soon as possible.

The resolution observes that in general the FMPA does not contain a comprehensive agreement on the free movement of services, with the latter only being very selectively covered by specific bilateral agreements. It stresses that a **comprehensive agreement on the free movement of services would bring significant economic benefits for both sides**. It calls on the Commission and Switzerland, therefore, to explore the possibility of launching negotiations with the aim of concluding an all-encompassing agreement on the free movement of services.

While fully respecting the causes of the specific nature of the relations between Switzerland and the EU, Parliament considers that every effort should be made so that **identical or parallel internal market rules, inter alia in the area of free movement of services, are interpreted and applied in the same manner in the EU and Switzerland**, in order to ensure Switzerland's equal participation in the internal market.

Parliament stresses the mutual interest of the EU and Switzerland in **enhanced uniformity in the application of the FMPA** and a more timely convergence of Swiss and EU internal market legislation which would provide economic operators from both sides with a more transparent and predictable environment

In addition, the Commission is called upon to:

- reach a prompt understanding in the ongoing negotiations on bilateral agreements, including the one on product safety;
- look into developing a mechanism for a faster adaptation of the FMPA to the development of the relevant acquis in the areas falling within its scope;
- look into ways of finding horizontal solutions to certain institutional issues, to decrease fragmentation and enhance transparency in the decision-making system, to enhance communication between the Joint Committees and to consider the introduction of an effective dispute settlement mechanism.

Parliament calls for **enhanced communication** between the European Parliament and Switzerland and for Swiss representatives to be more involved in the work of the European Parliament and its respective bodies.

Lastly, the resolution notes that in light of the new challenges in current and planned negotiations on several policy areas, inter alia consumer protection, there is a need to discuss the possibility of going beyond the existing institutional framework and perhaps concluding an **all encompassing bilateral agreement** to the mutual benefit of Switzerland and the EU.