

# Services in the internal market. Services Directive

2004/0001(COD) - 13/01/2004 - Legislative proposal

**PURPOSE** : to provide a legal framework that will eliminate the obstacles to the freedom of establishment for service providers and the free movement of services between the Member States. **PROPOSED ACT** : Directive of the European Parliament and of the Council **CONTENT** : The establishment of a genuine internal market in services is indispensable to the achievement of the objectives set out by the Lisbon European Council. In order to eliminate the obstacles to the freedom of establishment, the proposal provides for: -administrative simplification measures, particularly involving the establishment of "single points of contact", at which service providers can complete the administrative procedures relevant to their activities, and the obligation to make it possible to complete these procedures by electronic means; - certain principles which must be respected by authorisation schemes applicable to service activities, in particular relating to the conditions and procedures for the granting of an authorisation; -the prohibition of certain particularly restrictive legal requirements that may still be in force in certain Member States; -the obligation to assess the compatibility of certain other legal requirements with the conditions laid down in the Directive, particularly as regards proportionality. In order to eliminate the obstacles to the free movement of services, the proposal provides for: -the application of the country of origin principle, according to which a service provider is subject only to the law of the country in which he is established and Member States may not restrict services from a provider established in another Member State. This principle is accompanied by derogations which are either general, or temporary or which may be applied on a case-by-case basis; - the right of recipients to use services from other Member States without being hindered by restrictive measures imposed by their country or by discriminatory behaviour on the part of public authorities or private operators. In the case of patients, the proposal clarifies the circumstances in which a Member State may make reimbursement of the cost of health care provided in another Member State subject to authorisation; -a mechanism to provide assistance to recipients who use a service provided by an operator established in another Member State; -in the case of posting of workers in the context of the provision of services, the allocation of tasks between the Member State of origin and the Member State of destination and the supervision procedures applicable. With a view to establishing the mutual trust between Member States necessary for eliminating these obstacles, the proposal provides for: - harmonisation of legislation in order to guarantee equivalent protection of the general interest on vital questions, such as consumer protection, particularly as regards the service provider's obligations concerning information, professional insurance, multidisciplinary activities, settlement of disputes, and exchange of information on the quality of the service provider; -stronger mutual assistance between national authorities -measures for promoting the quality of services, such as voluntary certification of activities, quality charters or cooperation between the chambers of commerce and of crafts; -encouraging codes of conduct drawn up by interested parties at Community level on certain questions, including in particular commercial communications by the regulated professions. The proposal defines "service", which covers a wide range of activities including, for example, management consultancy, certification and testing, maintenance, facilities management and security, advertising services, recruitment services, including the services of temporary employment agencies, services provided by commercial agents, legal or tax consultancy, property services, such as those provided by estate agencies, construction services, architectural services, distributive trades, organisation of trade fairs and exhibitions, car-hire, security services, tourist services, including travel agencies and tourist guides, audiovisual services, sports centres and amusement parks, leisure services, health services and personal domestic services, such as assistance for old people. With a view to taking full effect by 2010, the proposal is based on a dynamic approach involving phased implementation of some of its provisions, a commitment to additional harmonisation on certain specific matters (cash-in-transit services, gambling and judicial recovery of debts), the guarantee that it will evolve and that any need for new initiatives can be identified. **FINANCIAL IMPLICATIONS** : Budget lines - 12 02 01 Implementation and development of the internal market 12 01 04 01 - Implementation and development of the internal market - Expenditure on administrative management. Overall Figures: Total allocation for action (operational expenditure): EUR 0.700 million in commitment

appropriations, already covered by existing allocation under internal market policy area in the financial programming. Period of application: 2004 - 2010. Overall financial impact of human resources: EUR 0.853 million per year Other administrative expenditure deriving from the action: EUR 0.016 million per year.