

Services in the internal market. Services Directive

2004/0001(COD) - 28/11/2005

The Council held an exchange of views on a draft directive on services in the internal market, with a view to giving political guidance for future discussions, once the European Parliament has given its opinion.

Three key questions were discussed, concerning:

- The scope of the directive: dealing with the importance of legal certainty for agreement on a list of derogations valid in all member states, in order to guarantee a harmonised application of the directive.
- Worker protection: related to the analysis of the interaction of the directive with standards for worker protection in the member states and the level of harmonisation to be obtained.
- Free movement of services in the EU: regarding the possibility to reorganise provisions contained in the draft directive concerning the country of origin principle, with a view to clarifying those provisions that facilitate the free movement of services and those which enable member states to safeguard their key public policy objectives.

At the end of the debate the presidency summarised the outcome of the discussion as follows:

- whilst the need to wait for the Parliament's opinion and the Commission revised proposal was recognised, views may still be expressed;
- on **scope**, there is general agreement that any further exemptions must be clear and concrete so as to give certainty to business. Most delegations want further exemptions (e.g. healthcare, gambling, tax, etc) but the Directive must not be empty. Some Member States want to be able to exclude services of general interest which they will define; others do not support this;
- on **worker protection**, a majority of Member States do not want the rules in the Posting of Workers Directive to be affected by this Directive. This Directive should be neutral for worker protection. There are differing views as to whether administrative arrangements to enforce the Posting of Workers Directive should be included in this Directive;
- on **free movement of services (also known as country of origin)**, it was unanimously agreed that the aim is to further facilitate free movement of services. There is disagreement on how to do it. It is clear that this area needs more work to find the right balance between free movement of services and the pursuit of legitimate public policy objectives.

The Council hopes to have the opinion of the European Parliament and the Commission's revised proposal early in 2006.