Basic information

2012/2260(INL) INL - Legislative initiative procedure	Procedure completed
Better governance for the single market **Subject** 2 Internal market, single market 8.50.01 Implementation of EU law	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
IMCO Internal Market and Consumer Protection	SCHWAB Andreas (PPE)	08/05/2012
	Shadow rapporteur COFFERATI Sergio Gaetano (S&D) MANDERS Antonius (ALDE) MCCLARKIN Emma (ECR) DE JONG Dennis (GUE/NGL) SALVINI Matteo (EFD)	

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	MCINTYRE Anthea (ECR)	07/11/2012
ITRE Industry, Research and Energy	The committee decided not to give an opinion.	
TRAN Transport and Tourism	The committee decided not to give an opinion.	
REGI Regional Development	VLASÁK Oldřich (ECR)	18/09/2012
JURI Legal Affairs	The committee decided not to give an opinion.	

Council of the European Union	

Council configuration	Meetings	Date
Economic and Financial Affairs ECOFIN	3215	2013-01-22

European Commission	

Commission DG	Commissioner
Financial Stability, Financial Services and Capital Markets Union	BARNIER Michel

Key events

Date	Event	Reference	Summary
08/06/2012	Non-legislative basic document published	COM(2012)0259	Summary
25/10/2012	Committee referral announced in Parliament		
22/01/2013	Debate in Council		
23/01/2013	Vote in committee		
28/01/2013	Committee report tabled for plenary	A7-0019/2013	Summary
05/02/2013	Debate in Parliament		
07/02/2013	Decision by Parliament	T7-0054/2013	Summary
07/02/2013	Results of vote in Parliament		
07/02/2013	End of procedure in Parliament		

Technical information

Procedure reference	2012/2260(INL)
Procedure type	INL - Legislative initiative procedure
Procedure subtype	Request for legislative proposal
Legal basis	Rules of Procedure EP 47
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	IMCO/7/10631

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE497.937	16/10/2012	

Amendments tabled in committee		PE500.429	14/11/2012	
Amendments tabled in committee		PE501.938	06/12/2012	
Committee opinion	REGI	PE500.431	19/12/2012	
Committee opinion	EMPL	PE500.480	17/01/2013	
Committee report tabled for plenary, single reading		A7-0019/2013	28/01/2013	Summary
Text adopted by Parliament, single reading		T7-0054/2013	07/02/2013	Summary

European Commission

Document type	Reference	Date	Summary
Commission document (COM)	COM(2012)0259	08/06/2012	Summary
Commission response to text adopted in plenary	SP(2013)304	28/06/2013	

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Better governance for the single market

2012/2260(INL) - 08/06/2012 - Non-legislative basic document

PURPOSE: better governance for the Single Market.

CONTENT: the Single Market is a **key driver for economic growth**. However, to reap the benefits it brings, **its rules must be properly implemented and enforced**, and the situation today demonstrates that there is much room for improvement. It has been calculated by some that a more efficient transposition of EU legislation could reduce administrative burdens by one third, leading to an overall cost saving of nearly 40 billion euro.

The **March 2012 European Council** recognised the need to strengthen the governance of the Single Market and to improve its implementation and enforcement. Similar calls have been made by the European Parliament in its resolution of 20 May 2010 and 6 April 2011.

In response, the Commission calls for a renewed commitment to make the Single Market effectively deliver for growth. In particular, it proposes:

- **a particularly ambitious course of action** to make swift progress in key areas with the greatest growth potential;
- **concrete measures** to further improve the Single Market 'governance cycle', i.e., the way Single Market rules are designed, implemented, applied and enforced.

Focus on key areas: based on an analysis of today's European economy, attention in 2012-2013 should, in the Commission's view, focus on **key services sectors and the network industries.** Within the services sector, particular attention should be given to wholesale and retail trade, business services, construction and financial intermediation services. Further, much could be gained from a better functioning digital Single Market and a stronger Single Market in the energy and transport sector. The Communication sets out in detail how these key areas have been selected and which legislative acts should receive special attention in these areas. To make swift progress in these key areas, the Commission: (i) sets out the special efforts needed to ensure that rules are properly implemented and (ii) proposes to make use of the European semester process to monitor how the Single Market functions in these areas and define new actions, at both EU and national level, as follows:

1) Set ambitious targets to ensure proper implementation:

In recent years, important pieces of legislation have been adopted in key areas such as Directive 2006/123/EC (the Services Directive) and the report stresses the need to make them work in practice. To this end, the Commission and Member State s should join forces to ensure swift transposition and effective implementation of rules.

For Directives that are yet to be transposed, the Commission will **enhance its transposition assistance.** For instance, it will engage in informal contacts with national officials on a bilateral basis and set up expert groups and provide on-line fora to discuss and exchange best practices amongst national experts, as early as possible in the transposition process. It will conduct systematic conformity checks and will take supportive measures to make rules work in practice across the Member States.

Member States, in turn, should:

- informally submit to the Commission specific aspects of draft transposition measures, where they or the Commission consider it appropriate, in order to make the Commission's assistance as effective as possible during the transposition period and to secure rapid implementation;
- commit to '**zero tolerance**' when it comes to transposition of directives, i.e. respecting a transposition deficit target and a conformity deficit target of 0%;
- provide an on-line explanation of how they have transposed rules and how these rules work in practice.

As regards Regulations, the Commission will also step up efforts to secure proper implementation. In addition, f**or legislation that has been transposed and implemented for some time**, the Commission will conduct **in-depth reviews to see how rules are implemented and work in practice,** not only in legal but also in practical and economic terms. In this context, it may propose peer review exercises.

Where problems persist, the Commission will **use its enforcement powers with the utmost vigour** and calls on Member States to co-operate with it to ensure that breaches of EU law are swiftly brought to an end.

2) Monitor and define remedial action in the European semester process: the Commission will prepare an **annual report on the integration of the Single Market**, which will present an analysis of the state of Single Market integration and look at the way the Single Market functions in practice, in particular in key areas and for key market actors, including businesses and consumers. To the maximum extent, it will measure how well the Single Market functions in these areas by making use of concrete benchmarks.

On this basis, the Commission will **identify the main policy challenges and set priorities for action** for the coming year at both EU and national level. Actions may include both legislative and non-legislative initiatives. Particular attention will be given to minimising burdens for SMEs. Where necessary, assessments will go beyond existing rules with the view to exploiting the full potential of the Single Market, in particular by promoting best practices.

The annual report will be part of the Annual Growth Survey, to be discussed by the Council and the European Parliament and be endorsed by the Spring European Council. It will contribute to the definition of **country-specific recommendations**, which will be based on a more in-depth analysis of performance in each Member State, in the context of the European semester process.

Effectiveness: to make the Single Market work more effectively, the Commission recommends making **better use of IT tools** to empower citizens and businesses. It calls on Member States to:

- **strengthen problem-solving tools**;
- **provide user-friendly information on how rules work in practice** within their territories;
- **establish a network of national 'Single Market centres'** to monitor and oversee efforts to improve the functioning of the Single Market, and detect problems and obstacles to an effective functioning of the Single Market in their countries;
- ensure that administrations needing to communicate with each other are linked up **electronically**;
- ensure effective **first-line help centres** exist at the national level where businesses and citizens can turn to when encountering problems in the Single Market ('second-generation SOLVIT centres');
- ensure **fast and effective redress** is available for all Single-Market related problems.

The Commission will work in partnership with Member States to support them in this, and in addition to the other actions under the Communication, and will provide a first report on the integration of the Single Market and the implementation of the Communication as part of the Annual Growth Survey 2013.

Better governance for the single market

2012/2260(INL) - 28/01/2013 - Committee report tabled for plenary, single reading

The Committee on the Internal Market and Consumer Protection adopted a report by Andreas SCHWAB (EPP, DE) with recommendations to the Commission on the governance of the Single Market (Initiative – Rule 42 of the Rules of Procedure).

Noting that 20 years after its official creation, the Single Market has not yet been fully completed, Members request the Commission to submit as soon as possible, whilst considering as the possible legal basis all relevant provisions of the TFEU relating to the internal market, including Article 26(3) TFEU, **a proposal for an act aimed at strengthening the governance of the Single Market**. The report contains a series of detailed recommendations concerning the following:

Legislation: better evaluating the impacts:

- strengthen the **coordination** inside the Commission, **better evaluate** the need for new instruments and hence improve the coherence before a legislative act is proposed;
- opt for **regulations** instead of directives, wherever appropriate;
- introduce a '**Single Market Test**' to measure the impact of new legislation at national level on the Single Market;
- consider the feasibility of the **extension** of the scope of Directive 98/34/EC ('Notification Directive') to other sectors.

Better transposition, implementation and enforcement:

- each Member State should **transpose every directive in a consistent manner** and adopt all transposition measures relating to the whole of a Union legislative act jointly and at the same time;
- make greater use of **correlation tables** to ensure greater transparency of implementation and uniform application of Union law in the Member States;
- governance of the internal market could benefit from increased and enhanced **exchanges of experience and best practices** between civil servants at Union and national level;
- beyond mere statistical assessments, there is the need for a **qualitative evaluation of implementation** which allow to consider which measures have a particular impact and economic relevance for the Single Market;
- it is pertinent to **distinguish between non-transposition,** which is a clearly identifiable failure by the Member State, and **non-conformity** with Union law, which is a case of a different understanding of the underlying legislative act;
- **Parliament should be provided annually with a list** of non-transposed or incorrectly transposed Union legislation in the Member States concerned;
- in regard to enforcement, there should be a **'zero tolerance' policy** in relation to Member States that do not implement the rules of the Single Market properly;
- the Commission should promote the **use of the 'EU Pilot'** and further improve its effectiveness, in order to better detect and correct infringements of Single Market rules;
- the Commission should offer a more extensive use of **'EU sweeps'** to Member States in order to facilitate surveillance, in particular by less-equipped and less-prepared national authorities.

Key areas: setting priorities: Members recommend a stronger focus on a **limited number of instruments and actions** in order to achieve tangible improvements in the application of Single Market rules. They consider that the digital Single Market, the services sector, the energy sector, public procurement, research and innovation, as well as consumer protection and increased mobility of citizens, in particular workers and professionals, figure among the most important key areas for growth.

The report insists on the need to take further steps towards a **regulation of financial services** to ensure adequate information and protection for consumers and the transparent assessment of financial products, particularly the risky ones. They also emphasise that a properly functioning and fully completed Single Market cannot be effective without a **single, interconnected and efficient European transport system**.

In Members' opinion, the Single Market strategy should strengthen social welfare, convergence and workers' rights, prevent social dumping and ensure fair working conditions for all Europeans.

European Semester: the evaluation of the state of the Single Market should become an integral part of the European Semester, with a Single Market Governance pillar being put in place alongside the Economic Governance pillar. Members consider that the Commission's proposal to prepare an annual report on the integration of the Single Market contributing to the evidence base underpinning country-specific recommendations could lay the foundation for a future annual Single Market cycle within the European Semester.

Better governance for the single market

2012/2260(INL) - 07/02/2013 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution with recommendations to the Commission on the governance of the Single Market, in response to a Commission communication on the subject.

Members recall that 20 years after its official creation, the Single Market has not yet been fully completed, primarily because Member States have not fully transposed or implemented the approximately 1500 directives and around 1000 regulations. Concrete actions, both at Member State and Union level, are still necessary to fully implement freedom of movement for goods, persons, services and capital in the Union.

This is why Parliament requests the Commission to submit as soon as possible, whilst considering as the possible legal basis all relevant provisions of the TFEU relating to the internal market, including Article 26(3) TFEU, **a proposal for an act aimed at strengthening the governance of the Single Market** in regard to the following:.

Legislation: better evaluating the impacts:

- strengthen the **coordination** inside the Commission, **better evaluate** the need for new instruments and hence improve the coherence before a legislative act is proposed;
- opt for **regulations** instead of directives, wherever appropriate;
- introduce a '**Single Market Test**' to measure the impact of new legislation at national level on the Single Market;
- consider the feasibility of the **extension** of the scope of Directive 98/34/EC ('Notification Directive') to other sectors.

Better transposition and implementation:

-

each Member State should **transpose every directive in a consistent manner** and adopt all transposition measures relating to the whole of a Union legislative act jointly and at the same time;

- make greater use of **correlation tables** to ensure greater transparency of implementation and uniform application of Union law in the Member States;
- governance of the internal market could benefit from increased and enhanced **exchanges of experience and best practices** between civil servants at Union and national level;
- beyond mere statistical assessments, there is the need for a **qualitative evaluation of implementation** which allow to consider which measures have a particular impact and economic relevance for the Single Market;
- it is pertinent to **distinguish between non-transposition,** which is a clearly identifiable failure by the Member State, and **non-conformity** with Union law, which is a case of a different understanding of the underlying legislative act;
- **Parliament should be provided annually with a list** of non-transposed or incorrectly transposed Union legislation in the Member States concerned.

Better enforcement:

- there should be a **'zero tolerance' policy** in relation to Member States that do not implement the rules of the Single Market properly;
- faster procedures within the Commission and, where appropriate, recourse to **interim proceedings before the Court of Justice**, in accordance with Article 279 TFEU, should be applied more actively;
- the Commission should promote the **use of the 'EU Pilot'** and further improve its effectiveness, in order to better detect and correct infringements of Single Market rules;
- the Commission should offer a more extensive use of **'EU sweeps'** to Member States in order to facilitate surveillance, in particular by less-equipped and less-prepared national authorities.

Key areas: setting priorities: Members recommend a stronger focus on a **limited number of instruments and actions** in order to achieve tangible improvements in the application of Single Market rules. They consider that the digital Single Market, the services sector, the energy sector, public procurement, research and innovation, as well as consumer protection and increased mobility of citizens, in particular workers and professionals, figure among the most important key areas for growth.

The resolution insists on the need to take further steps towards a **regulation of financial services** to ensure adequate information and protection for consumers and the transparent assessment of financial products, particularly the risky ones. They also emphasise that a properly functioning and fully completed Single Market cannot be effective without a **single, interconnected and efficient European transport system**.

An internal market for all stakeholders:

- a stronger and earlier involvement of the social partners, civil society and all other stakeholders in designing, adopting, implementing and monitoring the measures needed to boost growth and citizens' rights in the Single Market, based also on forms of online participation and e-democracy, is essential to restoring confidence in the Single Market;
- the Single Market strategy should strengthen social welfare, convergence and workers' rights, prevent social dumping and ensure fair working conditions for all Europeans.

European Semester: the evaluation of the state of the Single Market should become an integral part of the European Semester, with a Single Market Governance pillar being put in place alongside the Economic Governance pillar. Parliament considers that the Commission's proposal to prepare an annual report on the integration of the Single Market contributing to the evidence base underpinning country-specific recommendations could lay the foundation for a future annual Single Market cycle within the European Semester.

Recommendations: the resolution contains a series of detailed recommendations concerning the content of the proposal: (i) establish a consistent framework for the governance of the Single Market; (ii) determine the Union's objectives and priorities for action in order to improve the operation of the Single Market; (iii) determine the conditions to be ensured to ensure Single Market governance; (iv) define supplementary measures necessary to enhance the implementation and enforcement of the Single Market regulatory framework; (v) provide for the submission, assessment and monitoring of national action plans; (vi) provide for the formulation of distinct Single Market-related country-specific recommendations; (vii) define a Single Market pillar of the European Semester; (viii) increase the democratic accountability and the role of the European Parliament and of national parliaments.