Basic information

2020/2020(INI) INI - Own-initiative procedure	Procedure completed
Strengthening the Single Market: the future of free movement of services **Subject** 2 Internal market, single market 2.40 Free movement of services, freedom to provide	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
IMCO Internal Market and Consumer Protection	LØKKEGAARD Morten (Renew)	06/11/2019
	Shadow rapporteur SOKOL Tomislav (EPP) GEBHARDT Evelyne (S&D) CAVAZZINI Anna (Greens/EFA) BIELAN Adam (ECR) BUCHHEIT Markus (ID) SCHIRDEWAN Martin (GUE/NGL)	

Committee for opinion	Rapporteur for opinion	Appointed
EMPL Employment and Social Affairs	BOTENGA Marc (GUE/NGL)	29/01/2020

Key events

Date	Event	Reference	Summary
16/01/2020	Committee referral announced in Parliament		
02/12/2020	Vote in committee		
09/12/2020	Committee report tabled for plenary	A9-0250/2020	Summary
18/01/2021	Debate in Parliament		
20/01/2021	Decision by Parliament	T9-0007/2021	Summary

20/01/2021	Results of vote in Parliament		
21/01/2021	End of procedure in Parliament		

Technical information	
Procedure reference	2020/2020(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	IMCO/9/02300

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE646.943	06/05/2020	
Amendments tabled in committee		PE653.761	17/06/2020	
Committee opinion	EMPL	PE647.038	02/10/2020	
Committee report tabled for plenary, single reading		A9-0250/2020	09/12/2020	Summary
Text adopted by Parliament, single reading		T9-0007/2021	20/01/2021	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2021)223	09/07/2021	

Strengthening the Single Market: the future of free movement of services

2020/2020(INI) - 09/12/2020 - Committee report tabled for plenary, single reading

The Committee on the Internal Market and Consumer Protection adopted the own-initiative report by Morten LØKKEGAARD (Renew Europe, DK) on strengthening the single market: the future of free movement of services.

The services sector accounts for around 70% of the EU's GDP and a similar proportion of its employment. A better functioning internal market for services is therefore a crucial necessity for a more competitive and innovative European economy.

Directly addressing national barriers within the single market

Members underlined that promoting the single market, including the free, fair and safe movement of services and people, consumer protection and the strict enforcement of EU law, is paramount for tackling the economic crisis caused by COVID-19. They urged all Member States to ease unjustified and disproportionate barriers preventing the free movement of services within the single market as soon as possible.

They regretted that the recovery plan proposed by the Commission does not provide for any specific financing related to the movement of services by recognising its importance as a tool for economic recovery.

Ensuring adequate enforcement of existing legislation

Businesses and consumers, who experience barriers and frustrations when they attempt to trade in services across the EU, often stress that their problems do not stem from a lack of legislation. Rather, they point to a serious lack of implementation and enforcement of existing rules. Therefore, Members encouraged the Commission to use all means at its disposal to fully enforce existing rules and to promptly decide on complaints to ensure that relevant issues from an end-user perspective are effectively handled. They called for the assessment of alternative resolution mechanisms and infringement procedures to be applied stringently and without undue delay whenever breaches of the relevant legislation which contravene the proper functioning of the internal market are identified.

Members welcomed the Commission's new-long term action plan for better implementation and enforcement of single market rules so as to maximise the potential of the single market for services.

Advancing regulatory clarity by introducing national information portals

The report noted that the COVID-19 pandemic has highlighted a lack of regulatory clarity and a lack of effective communication between Member States on rapidly changing regulations. It stressed the key importance of the single digital gateway and the points of single contact as an online access point for EU and national information, procedures and assistance services on the single market. The committee recommended Member States implement the single digital gateway in a consumer and SME-friendly way and transform their points of single contact from mere regulatory portals into fully functioning portals.

Providing additional evaluation tools through single market scoreboards and restrictiveness indicators

Evaluating the performance of Member States with regards to both implementation and provision of information is essential to improving the Single Market for services. It allows Member States to learn from each other through best practice and it applies much needed pressure for improved functioning of the existing (and upcoming) European legislation.

The committee supports the use of the Single Market Scoreboard and the Commission's commitment to update it with new indicators. There is scope to use the Scoreboard even more actively by e.g. utilising both quantitative and qualitative indicators and by ranking Member States according to their services trade openness. This would enable consumers and businesses to see how much progress is being made and in which areas, as well as allow the Commission to prioritise enforcement action in areas that are particularly lacking.

Strengthening the Single Market: the future of free movement of services

2020/2020(INI) - 20/01/2021 - Text adopted by Parliament, single reading

The European Parliament adopted by 462 votes to 120, with 108 abstentions, a resolution on strengthening the single market: the future of free movement of services.

The services sector accounts for around 70% of the EU's GDP and a similar proportion of its employment. A better functioning internal market for services is therefore a crucial necessity for a more competitive and innovative European economy. Studies show that the potential gains associated with deepening the single market for services through the effective implementation and better harmonisation of legislation could potentially be up to EUR 297 billion, corresponding to 2 % of the EU's GDP.

Directly addressing national barriers within the single market

Parliament underlined that promoting the single market, including the free, fair and safe movement of services and people, consumer protection and the strict enforcement of EU law, is paramount for tackling the economic crisis caused by COVID-19. It urged all Member States to ease unjustified and disproportionate barriers preventing the free movement of services within the single market as soon as possible. It also regretted that the recovery plan proposed by the Commission does not include any specific funding related to the movement of services.

Members recommended improving the comparability of the level of professional qualifications and called on the Commission to increase the number of professions covered by the European professional card, especially those in the engineering sector. They called for the European Qualifications Framework to be promoted to ensure that it becomes a widely accepted instrument of recognition.

The Commission is encouraged to assess the scope of the Services Directive and to publish updated guidelines with a view to strengthening the enforcement, harmonisation and compliance across Member States and service providers. Furthermore, COVID-19 should not be cited as a justification for limiting the free movement of services within the single market.

They regretted that the recovery plan proposed by the Commission does not provide for any specific financing related to the movement of services by recognising its importance as a tool for economic recovery.

Enforcement of existing legislation

Recalling that the free movement of services is at the heart of the single market, Parliament encouraged the Commission to use all means at its disposal to fully enforce existing rules and to decide quickly on complaints to ensure that issues relevant from the end-user's point of view are dealt with effectively. It called for the assessment of alternative resolution mechanisms and infringement procedures to be applied stringently and without undue delay whenever breaches of the relevant legislation which contravene the proper functioning of the internal market are identified and disproportionate burdens are introduced.

Members called on the Commission and Member States:

- to ensure effective coordination and exchange of information between Member States and thus avoid duplication of procedures and controls in the cross-border provision of services;

- to address the remaining barriers to the cross-border provision of information society services in the digital services legislative package;

- to define the structure and modalities of operation of the new Single Market Enforcement Task Force (SMET) with a view to establishing a new long-term action plan for better implementation and enforcement of Single Market rules and thereby maximising the potential of the Single Market for services.

Advancing regulatory clarity by introducing national information portals

Parliament noted that the COVID-19 pandemic has highlighted a lack of regulatory clarity and a lack of effective communication between Member States on rapidly changing regulations. It stressed the key importance of the single digital gateway and the points of single contact as an online access point for EU and national information, procedures and assistance services on the single market.

The resolution recommended Member States implement the single digital gateway in a consumer and SME-friendly way and transform their points of single contact from mere regulatory portals into fully functioning portals.

Single market scoreboards and restrictiveness indicators

Parliament supported the Commission's initiative to update the single market scoreboard with a new set of indicators to evaluate Member States' implementation of relevant single market legislation.

The updated Scoreboard should:

- emphasise reporting relevant issues from an end-user perspective, evaluating whether concerns and complaints are settled, for instance within the SOLVIT or European Consumer Centres Network framework;

- link the quality of implementation with existing restrictiveness indicators, and maps restrictions on services in new and existing policy fields and the differing levels of implementation and enforcement of EU legislation.

Parliament called on Member States to set annual national targets for the opening of trade in services and to carry out evaluations in this respect. It recommended that the Commission use the single market scoreboard to demonstrate the openness of the services trade in the Member States.