

Single market for services

Commission action to remove barriers to cross-border services still insufficient



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01

Main messages

Why this area is important

- 01** The free movement of services is one of the four freedoms established by the Treaty of Rome in 1957. Individuals and companies have the right to provide and receive services across borders without discrimination or unjustified restrictions, thus promoting economic integration and competition¹. The free cross-border provision of services allows companies to temporarily send employees to another member state under specific conditions².
- 02** Currently, the services sector accounts for around 70 % of both gross domestic product (GDP) and employment in the EU³. At the same time, the available data indicate that services account for only 20 % of trade between member states⁴.
- 03** Services continue to face considerable barriers to benefiting fully from the single market. Around 60 % of the barriers to the single market for services identified in 2002 still persist 20 years later⁵. The area of services is still characterised by significant differences in national authorisation and certification requirements making it difficult and costly for businesses to provide services in another member state. These long-standing barriers,

¹ [Treaty on the Functioning of the European Union \(TFEU\)](#), Articles 26 (2), 49, 56.

² [Directive \(EU\) 2018/957](#) amending Directive 96/71/EC concerning the posting of workers in the framework of the provision of services.

³ [Single Market Scoreboard](#), European Commission (25 November 2024).

⁴ [Europe's two trillion euro dividend: Mapping the Cost of Non-Europe, 2019-24](#), European Parliamentary Research Service (EPRS), European Parliament, 2019.

⁵ [COM\(2023\) 162](#), Commission communication on the Single Market at 30.

including differing national regulations, burdensome administrative procedures, and restrictions on professional mobility continue to hinder business activity and price competition.

- 04** A [recent study](#) points to an untapped potential for significant economic gains that could be realised by further integrating services. According to the Commission, ambitious additional reforms in the services sector would generate an additional growth potential of 2.5 % of the EU's GDP by 2027⁶.
- 05** The [2024 report by Mario Draghi](#) on the future of European competitiveness predicts that future growth in intra-EU trade will be in services, but the regulatory burden on European companies is high and still rising. According to [Enrico Letta's report](#) on the future of the single market, significant barriers still need to be removed in order to unlock the full potential of the single market for services.
- 06** With a focus on [Directive 2006/123/EC](#) (the "Services Directive"), the audit assessed whether the Commission was effective in removing barriers to services hindering growth and development in the EU. We examined whether:
- (a) the Commission has established a clear and comprehensive approach to strengthen the single market in services,
 - (b) has enforced the single market rules for services successfully,
 - (c) the tools to facilitate cross-border services were effective, and
 - (d) the Commission has monitored the service integration into the single market and assessed costs, benefits and impact of the Services Directive.
- 07** The audit covered the period between 2015 and 2025 with the main focus on actions undertaken by the Commission since 2020. We expect our observations to be useful for the Commission to become more effective in the integration of the single market for services. For more background information, and details on our audit scope and approach, see [Annex I](#).

⁶ *A general equilibrium analysis of the economic impact of the post-2006 EU regulation in the services sector. JRC Working Papers on Territorial Modelling and Analysis No. 03/2022*, European Commission, Seville, JRC128322.

What we found and recommend

- 08** Overall, we found that the Commission action to remove barriers to cross-border services remains insufficient.
- 09** While the Commission took measures to address barriers in the single market, its approaches lacked clear objectives, a focus on economic impact, and strategic ambition. The Commission mainly relied on infringement procedures to enforce single market rules for services. However, it did not always take timely action where member states were not in conformity with the Services Directive in national law or from adopting measures undermining market integration.
- 10** The Commission supported member states in facilitating cross-border services, but businesses still do not have complete access to the information they need to take up services in another member state. Finally, the Commission lacks the relevant sector-specific data needed to properly identify and monitor barriers to integrating the single market for services and has not yet sufficiently analysed the costs, benefits and potential impact of removing them.

The Commission's actions to removing barriers to services in the single market lacked clear objectives, focus on economic impact and strategic ambition

- 11** Between 2015 and 2025, the period covered by our audit, the Commission adopted a number of strategic documents to reduce barriers to cross-border services, in particular with its [2015 strategy for a fairer and deeper European single market](#), the [2020 long-term action plan for better implementation and enforcement of single market rules](#), and the new [2025 single market strategy](#).
- 12** However, until 2025, the Commission's approach to removing barriers to cross-border services lacked strategic focus. In particular, it had no procedure in place for appropriately classifying and targeting its actions on the barriers with the biggest potential impact on the effective functioning of the single market (paragraphs [25-32](#)).
- 13** Even with the adoption of the Commission's 2025 strategy for the single market, the situation has not changed significantly. Although the strategy places greater emphasis on services and political ownership for change, it relies largely on tools that, based on past experiences, are unlikely to be highly effective (paragraphs [33-43](#)).



Recommendation 1

A clearer and more ambitious strategy for the single market for services

The Commission should:

- (a) develop and implement a robust and evidence-based approach to assessing barriers to cross-border services, with a particular focus on the potential economic costs and benefits of their removal;
- (b) initiate further targeted and more ambitious actions to address barriers to the single market for services, focusing on the sectors with the biggest impact on market integration; and
- (c) report annually to the European Parliament and the Council on progress made in removing these barriers.

Target implementation date: end of 2027

14 Within the European Semester, the Council may, based on a proposal from the Commission, address country-specific recommendations (CSRs) to member states to encourage regulatory reform in services sectors. We found that the Commission used this tool variably and proposed recommendations which had a limited effect. The number of recommendations has declined considerably since the COVID-19 pandemic when the Commission expected member states to address all or a significant sub-set of challenges identified in the CSRs. Moreover, they do not sufficiently reflect other Commission initiatives to facilitate cross-border services. In the member states we visited, none of these CSRs had so far led to substantial reforms in key services sectors (paragraphs [44-49](#)).

- 15** In addition, very few member states used the Recovery and Resilience Facility (RRF) to reform services sectors and remove regulatory barriers, although they were requested to align their RRF plans with the CSRs (paragraphs [50-54](#)).



Recommendation 2

More active use of the European Semester process and funding conditionalities to tackle key barriers to cross-border services

The Commission should:

- (a) use the European Semester process and country-specific recommendations, where relevant and based on country-specific analysis and prioritisation, more consistently to address key barriers to cross-border services while aligning the recommendations with its other related initiatives; and
- (b) use conditionalities under the post-2027 multiannual financial framework for incentivising member states to carry out the necessary reforms to remove barriers to cross-border services.

Target implementation date: end of 2028

The Commission's enforcement of single market rules for services faced significant challenges

- 16** The Services Directive seeks to ensure the freedom of establishment of businesses in another member state and the provision of temporary cross-border services. However, the term “temporary” is not clearly defined. As a result, national authorities must assess on a case-by-case basis whether the provision of services qualifies as temporary, creating legal uncertainty and unnecessary costs for service providers (paragraphs [55-58](#)).
- 17** In spite of clear case law and infringement procedures, some member states have significantly slowed down the implementation of the Services Directive or even undermined the integration of the single market for services, either through regulatory or administrative measures (paragraphs [59-61](#)).
- 18** Under the Services Directive, member states must notify the Commission of any new legislative, regulatory or administrative requirements affecting the freedom of establishment and the provision of cross-border services. However, the notification system has significant gaps and the Commission is not always duly informed about new barriers (paragraphs [62-68](#)).

- 19** Complaints from businesses are one of the most effective tools the Commission has at its disposal for identifying alleged infringements of EU rules on services and barriers. For such complaints, the Commission applied neither a de minimis rule (for which there is currently no provision in the Services Directive) nor sufficiently clear prioritisation criteria. As a result, it devoted significant resources to cases of limited relevance to the single market (paragraphs [69-74](#)).
- 20** The Commission managed to reduce the average duration of processing complaints related to services but lengthy procedures remain common, in some cases taking more than five years, which particularly disadvantages smaller service providers. Owing to the legal costs involved and the unpredictability of the outcome, small providers have little incentive to bring complaints before the national courts regarding barriers to market access (paragraphs [75-80](#)).



Recommendation 3

Clarify legislation and focus enforcement on cases with considerable impact on the single market

The Commission should:

- (a) when reviewing the Services Directive with a view to a legislative proposal, without prejudice to the decisions of the co-legislators, more clearly define the proportionality of new national requirements and notification of them to the Commission;
- (b) focus on and prioritise an efficient enforcement of cases with a considerable impact on the integration of the single market for services; and
- (c) support smaller companies more effectively when their right to provide cross-border services is violated, for example by supporting them in taking legal action in national courts against excessive regulatory or administrative barriers.

Target implementation date: end of 2027

The tools used by the Commission and member states to facilitate cross-border services were largely ineffective

- 21** The Commission and member states have various tools available to facilitate the smooth functioning of the single market including cross-border services, such as the points of single contact, SOLVIT and the Single Market Enforcement Task Force. However, the points of single contact did often not ensure access to electronic procedures and information

required by the Services Directive, SOLVIT was rarely used for services, and the Single Market Enforcement Task Force achieved only limited results in removing barriers to services (paragraphs [81-93](#)).



Recommendation 4

Reinforce existing tools for facilitation of cross-border services

The Commission should:

- (a) in cooperation with the member states improve electronic access to information through the Points of Single Contact, and support businesses more effectively in providing cross-border services;
- (b) in cooperation with the member states enhance the impact of the Single Market Enforcement Task Force by prioritizing removing national barriers with high impact on the single market for services; and
- (c) where the Single Market Enforcement Task Force is unlikely to address the barriers effectively, make legislative proposals, if all other means have proven ineffective.

Target implementation date: end of 2027

The potential impact of further integration of the service market on growth and employment had not yet been sufficiently assessed

- 22** According to the Organisation for Economic Co-operation and Development, the single market for services is already highly integrated but other sources show that there are still significant benefits for the single market for services that could be realised if the existing barriers for services were further removed (paragraphs [94-97](#)).
- 23** The Commission uses performance indicators to show the progress made towards single market integration. However, these indicators are not fully fit for purpose and relevant sector-specific data is lacking (paragraphs [98-101](#)).
- 24** Finally, the Commission has not yet sufficiently analysed the costs and benefits of integrating the single market for services or the impact the current regulatory framework and barriers have had so far on growth and employment (paragraphs [102-109](#)).



Recommendation 5

Monitor and evaluate the progress in completing the single market for services

The Commission should:

- (a) further develop appropriate indicators informing about barriers for services and use them to monitor the progress made in market integration of services over time;
- (b) assess the contribution of the EU regulatory framework for services to growth and employment so far, and the potential impact of removing barriers.

Target implementation date: end of 2027

A closer look at our observations

The Commission's actions for removing barriers to services in the single market lacked clear objectives and strategic ambition

Until 2025 the Commission did not take appropriate action for removing the most significant barriers to cross-border services

- 25** Our [2016 special report on the implementation of the Services Directive](#) concluded that the Commission had not established a comprehensive strategy to strengthen the single market in services following the entry into force of the Directive in 2006. In this audit, we examined whether the Commission had developed such a strategy since 2015. We would expect such a strategy to clearly define the Commission's objectives for removing barriers to services in the single market and to set out a coherent set of targeted and time-bound actions.
- 26** In 2015, the Commission adopted its strategy for a fairer and deeper European single market, which included several actions for services⁷. The strategy proposed major legislative initiatives to simplify procedures for service providers, such as a services passport to increase certainty and reduce barriers to cross-border access, a simplified notification procedure for new national requirements under the Services Directive, and a

⁷ [COM\(2015\) 550](#), Commission communication on upgrading the single market: more opportunities for people and business.

proposal for a proportionality test directive. Ultimately, only the proportionality test for regulated professions was adopted in 2018. This requires member states to assess whether new or amended regulations for regulated professions are justified, non-discriminatory, appropriate for achieving their objectives, and no more restrictive than necessary⁸. In 2021, the Commission withdrew the other proposals, considering that no political compromise with the Council and the European Parliament was likely without undermining the main objectives of the initiative.

- 27** Every three years, the Commission must review the adequacy of the Services Directive and present a comprehensive report on its application to the European Parliament and to the Council⁹. The Commission has not published such reports on a regular basis but in 2021, it mapped and assessed legal and administrative barriers in the services sector comparing the situation in 2017 with that in 2006 when the Directive entered into force¹⁰. The Commission's exercise aimed at documenting the presence or absence of restrictions but did not assess their proportionality or justification. The report demonstrated a small decrease in the absolute level of service barriers between 2006 and 2017 in almost all sectors and noted that more reform efforts are needed.
- 28** As the Commission had no more recent comprehensive data, we examined the evolution of barriers since the Commission's 2021 mapping exercise in the six member states we visited (Germany, Estonia, France, Italy, Lithuania and Hungary). We also reviewed the Commission's methodology for assessing the restrictiveness of the barriers to cross-border services.
- 29** The Commission's 2021 mapping exercise identified very restrictive barriers in liberal professions such as law, tax consultancy, architecture, construction, skilled crafts, retail and tourism, for example tourist guides. We found that since 2017, the reference year for the mapping exercise, only few changes had occurred and none of the six member states had launched major reforms in these areas; in fact, new barriers had been set up (**Box 1**).

⁸ [Directive \(EU\) 2018/958](#) on a proportionality test before adoption of new regulation of professions. See also our [special report 10/2024](#) on the recognition of professional qualifications in the EU.

⁹ [Services Directive](#), Article 41.

¹⁰ [Mapping and assessment of barriers in the services sector - Summary report](#), European Commission, 2021.

Box 1

Examples of barriers to services in Germany and Lithuania

In Germany, while the regulatory framework for architects and lawyers had become less restrictive, twelve skilled crafts that had not been regulated since 2004 had once again become subject to [regulation in 2020](#). This was because the German authorities had identified negative consequences of deregulation, such as an increase in economically unviable business start-ups, changes in the requirements of the trades concerned, and a lack of proper training among new market entrants.

In Lithuania, the national authorities' efforts to reduce administrative and compliance burdens were not successful because of limited support by businesses, especially where barrier removal could increase competition in the relevant markets. One example is the tour-guide sector, where since 2023, the ministry's attempts to reduce licensing requirements did not succeed because the associations representing the sector argued in favour of maintaining the existing licensing system.

- 30** We noted that in the Commission's methodology for classifying restrictions as significant, the presence of national sectoral regulations sufficed for classification as "very restrictive". Moreover, the scoring was based on the mere analysis of legal provisions with no estimation of the economic consequences of not removing regulatory rules.
- 31** The Commission updated its reform recommendations for professional services¹¹ but there were no new legislative proposals, for example to amend the Services Directive, nor has the Commission identified how the barriers should be lowered or removed in the future. The Commission's assessment did not trigger initiatives for review or reform of the barriers in question in any of the six member states.
- 32** As a result, the Commission does not have comprehensive, up-to-date information on barriers inhibiting cross-border services in the single market, and it did not put in place a clear approach for classifying barriers according to significance and potential impact on the single market.

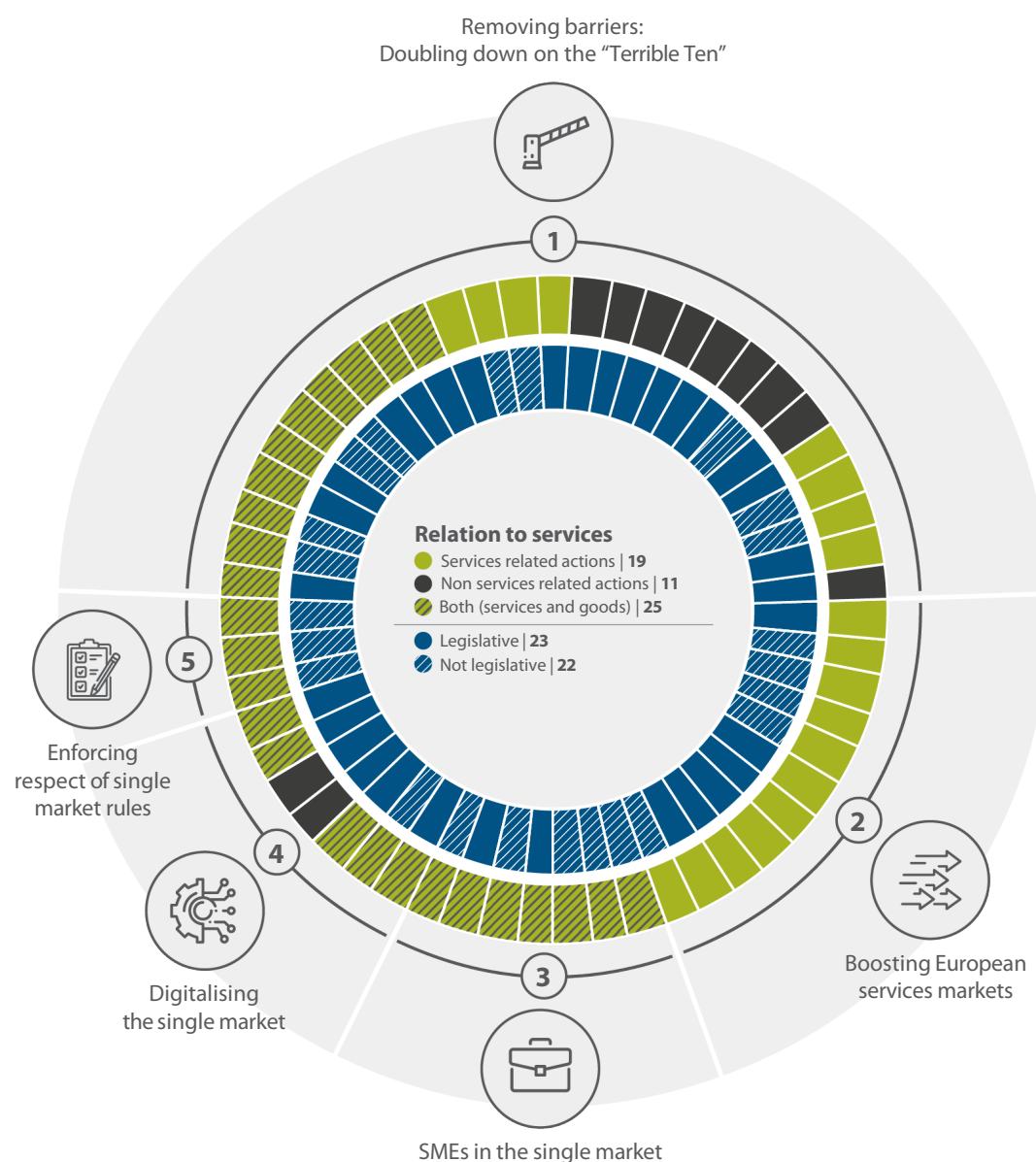
¹¹ [COM\(2021\) 385](#), Commission communication on taking stock of and updating the reform recommendations for regulation in professional services of 2017.

The Commission's 2025 strategy for the single market focuses on services but lacks clear objectives and ambitious actions

- 33** In 2025, the Commission adopted a new strategy to boost the further integration of the single market¹². The strategy incorporates 55 actions, more than half of which concern EU legislation (legislative actions), while the others are non-legislative actions such as faster procedures and better guidance to member states or harmonised implementation of rules (*Figure 1* and *Annex II*).

¹² COM(2025) 500, Commission communication on a strategy for making the single market simple, seamless and strong.

Figure 1 – Actions envisaged in the Commission’s 2025 single market strategy



“Terrible ten”: A set of barriers for the single market the Commission identified by consultations of stakeholders. They include complicated business establishment and operations, overly complex EU rules etc.

Source: ECA, based on European Commission.

- 34** We assessed whether the strategy identified the root causes for barriers in the single market for services, set clear objectives in terms of what the Commission wants to achieve, was comprehensive, and proposed sufficiently ambitious actions with clear target dates for implementation.
- 35** We found that the strategy accurately identified issues that prevent the single market for services from fully realising its potential, for example fragmented, restrictive and diverging

national services regulation and burdensome procedures for the posting of workers. A positive element is that the 2025 strategy clearly focuses on services sectors relevant to the single market, i.e. where the Commission considers they could offer the highest economic added value and are most relevant for the digital and green transformation. However, the strategy still lacks clarity on what the Commission aims to achieve, and the proposed actions lack ambition as explained hereafter.

- 36** One of the key areas where the Commission sees a need for intervention, is the area of regulated services, of which there are currently around 5 700 in the EU. It expects a 0.5 % increase in EU gross value added through reducing the number of services barriers by 10 %¹³. However, the strategy does not explain how the Commission intends to achieve this objective to reduce barriers. So far, there is no analysis of which services sectors are particularly negatively affected by regulation. Regulation can sometimes also be beneficial, for example where it sets strict quality requirements and market participants have no other information on the quality of services provided in a market. In our [2024 special report on the recognition of professional qualifications](#) in the EU, we found that the Commission's actions to encourage member states to reduce the number of regulated professions "lacked results".
- 37** According to the Commission, the complexity of the rules for temporary posting of workers remains one of the main barriers for businesses. The Commission's strategy refers to a legislative initiative launched in November 2024 to facilitate posting declarations through a public interface¹⁴. However, in 2025, only nine member states¹⁵ intended to introduce the interface, making it unlikely to significantly reduce the current fragmentation in the national rules and procedures for temporary posting of workers.
- 38** The strategy also envisages other actions to remove barriers to services, including legislative proposals aimed at preventing further regulatory fragmentation and facilitating the digital establishment of businesses and their operations across the single market. However, by the end of 2025, the Commission had not developed roadmaps explaining how measurable results could be achieved.
- 39** The Commission intends to use its significant decision-making powers regarding the single market, by envisaging some 23 possible legislative initiatives. However, as the area of

¹³ Ibid, p. 13.

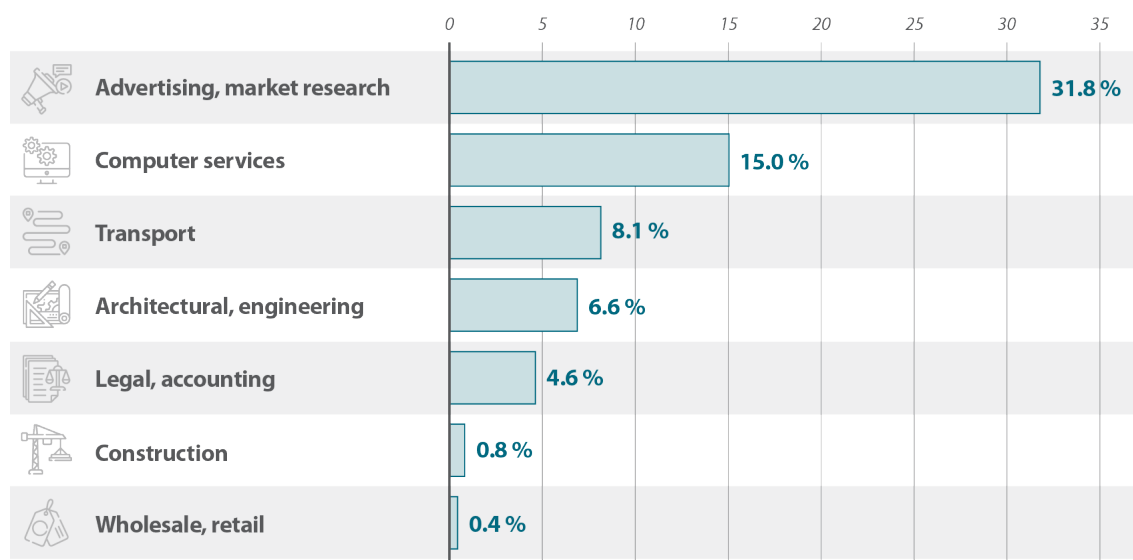
¹⁴ [COM/2024/531](#), Proposal for a Regulation of the European Parliament and of the Council on a public interface connected to the Internal Market Information System for the declaration of posting of workers.

¹⁵ Czechia, Germany, Ireland, Greece, Lithuania, Hungary, Poland, Portugal, and Slovenia.

services is still characterised by significant differences in national authorisation and certification requirements making it difficult and costly for businesses to provide services in another member state, action envisaged remains vague. We also observe that in the past, the Commission opted mostly for Directives such as the Services Directive. Their transposition into national legislation took several years and granted significant discretion for interpretation to member states and fostered diverging national rules.

- 40** The Commission calls on member states to take greater ownership of the single market. To help this effort, it proposes the appointment of high-level officials (“sherpas”) within national governments to promote the application of single market rules and accelerate the removal of barriers. However, it remains unclear how member states can be committed to remove barriers and address regulatory fragmentation.
- 41** Some services sectors are characterised by a more intensive cross-border trade, and may thus have a greater potential to boost the services markets and enhance growth and employment (*Figure 2*). The Commission plans to take action to facilitate industry services and plans a legislative proposal for the end of 2026 to lower barriers in the construction sector. This is an important step forward that will allow the Commission to make better use of its resources. However, according to the Commission’s data, other sectors might be even more relevant for the single market.

Figure 2 | Cross-border trade intensity of services sub-sectors (2023)



Trade intensity is calculated as trade (the average imports and exports) versus the turnover for 2023.

Source: ECA, based on European Commission.

- 42** Finally, the strategy does not mention the European Semester. Actions put in place under the strategy thus risk not being well aligned with assessments and country-specific recommendations for services in the context of the European Semester, and vice versa.

43 Overall, the Commission's 2025 strategy identifies significant barriers for services and prioritises actions to address them. The strategy sets out indicative dates for initiating a number of specific actions. For some of these actions, the Commission has already started their implementation as planned. For example, in early 2026, it has started working on improvements to the notification procedure under the Services Directive, without which the Commission would initiate a legislative proposal for the Single Market Barriers Prevention Act by 2027. For others, there are initial delays (such as the initiative on cross-border car rental services). Finally, we also note that the strategy does not for all actions sufficiently define what the Commission aims to achieve and by when. This is a first step forward toward a more integrated single market but at the same time, we consider that the strategy still lacks the ambition required for further substantial integration of the services sector in the single market.

Recent country-specific recommendations did not encourage member states to substantially reform regulation in services sectors

44 In 2012, the Commission proposed to address shortcomings in implementing the Services Directives in part through the Council issuing country-specific recommendations (CSRs) and called on the member states concerned to introduce more ambitious national reforms¹⁶. We examined the extent to which this monitoring of developments in services markets, focused on cross-border services and the removal of barriers. We also analysed the CSRs issued since 2015 and whether they had led to any major reforms in the member states concerned.

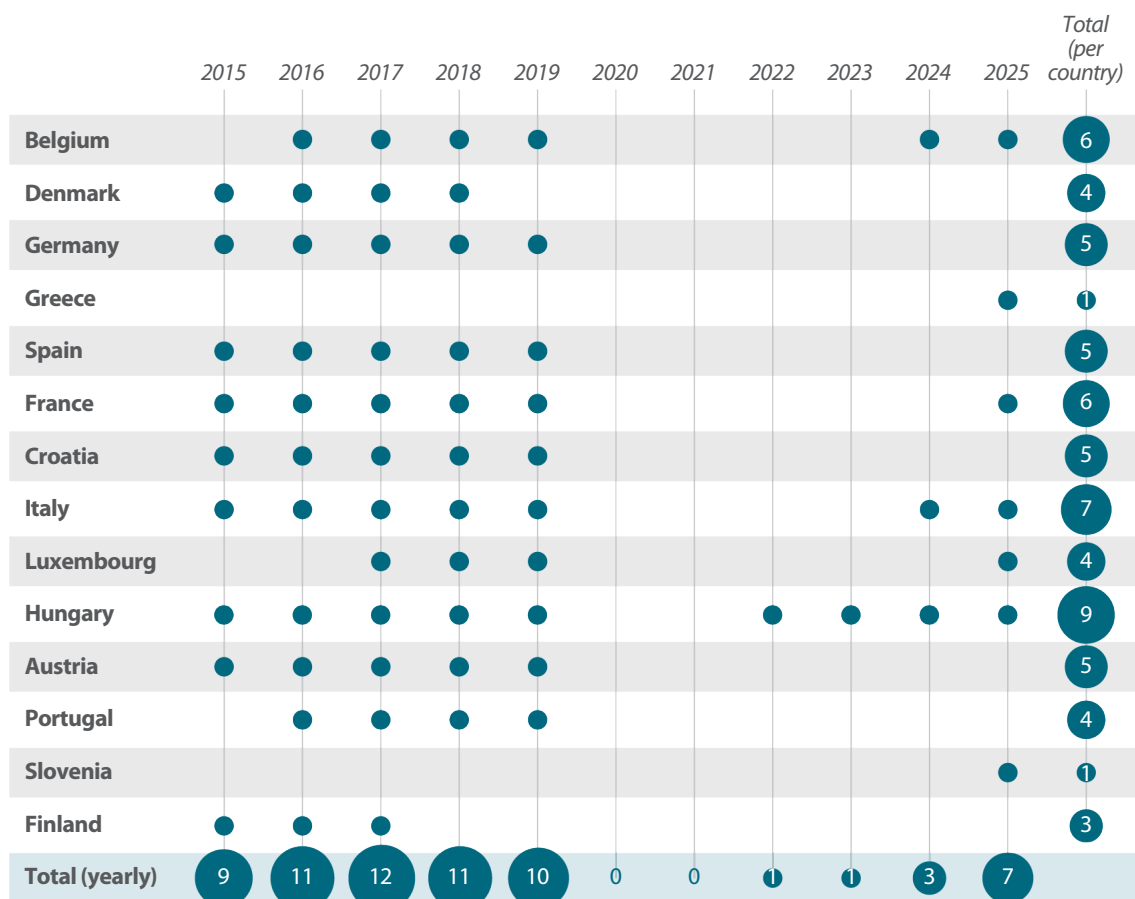
45 Our analysis showed that the Commission's CSR monitoring focused on macroeconomic data and aggregated information due to the lack of relevant data on specific services sectors but less so on cross-border services.

46 Between 2015 and 2019, the Council issued between 9 to 12 service-sector-related CSRs to member states every year. No CSRs were issued in 2020 and 2021 at the peak of the COVID-19 pandemic. Since 2022, the number of service-sector-related CSRs has fallen drastically (with only one such CSR per year in 2022 and 2023, three in 2024 and seven in 2025), because the Commission focused on economic recovery. Moreover, fewer member states than before the pandemic received such CSRs. Overall, since 2022, the Council has

¹⁶ COM(2012) 259, Commission communication on better governance for the single market.

issued such CSRs to Hungary in 2022-2024, Belgium and Italy in 2024, and Belgium, Greece, France, Italy, Luxembourg, Hungary and Slovenia in 2025 ([Figure 3](#)).

Figure 3 | Country-specific recommendations in the area of services



Source: ECA, based on European Commission.

47 Among the member states we visited, Germany, France, Italy and Hungary had received recommendations concerning the services markets. We examined the extent to which the most recent recommendations had been followed by reforms aimed at removing barriers to services and promoting growth and employment through deregulation. However, we found that these recommendations had not overall led to substantial reforms in the services sectors, and that reforms had been triggered by other circumstances ([Box 2](#)). According to the Commission's latest CSR assessment in 2025, Austria and Portugal adopted reforms that led to an assessment of substantial progress.

Box 2

No substantial reforms when implementing CSRs on services in the member states visited

The Commission assessed Hungary¹⁷ to have shown either no progress or limited progress in implementing the CSRs received since 2019.

In [France, the 2019 CSR](#) recommended reducing regulatory restrictions, particularly in the services sector, for example in retail, real-estate transactions, housing, catering, and legal and accounting services. That year, France adopted an action plan to support growth and company transformation, containing around 70 measures to lower administrative barriers to companies and facilitate access to financing. Overall, the Commission considered progress to be limited.

In its [Recommendation of 9 July 2019 on the 2019 National Reform Programme of Germany](#), the Council recommended that Germany strengthen competition in business services and regulated professions in 2019 and 2020. In response, Germany amended the rules governing the fees for engineers and architects in 2020, following a judgment of the Court of Justice of the European Union declaring the mandatory minimum and maximum tariffs in Germany to be inadmissible. In 2021, Germany also amended its professional law for lawyers and tax consultancy companies in implementation of a judgment of the national constitutional court. No other measures were taken in the services sector to address the 2019 country-specific recommendations adopted by the Council. Nevertheless, no new recommendations on services have been included in the CSR for Germany since.

- 48** Finally, we observed that the recommendations do not sufficiently reflect other Commission actions to facilitate cross-border services, such as the 2015 strategy for a fairer and deeper European single market and the 2020 long-term action plan¹⁸, because the scope of the service-related CSRs in the European Semester was on policy issues and actions with greater relevance and macroeconomic impact.
- 49** In view of the above, we consider that the European Semester can be a useful complementary to other enforcement tools, but it was largely unsuccessful in both encouraging member states visited to substantially reform their services sectors and removing barriers to cross-border services in the single market.

¹⁷ [SWD\(2025\) 217](#), Table A16.2: Summary table on 2019-2024 CSRs.

¹⁸ [COM\(2020\) 94](#), Commission communication on the long-term action plan for better implementation and enforcement of single market rules.

Very few member states used the Recovery and Resilience Facility to reform services sectors

- 50** In 2020, the Council and the European Parliament set up the Recovery and Resilience Facility (RRF)¹⁹ to tackle the adverse effects of the COVID-19 pandemic and strengthen long-term economic growth. A new funding mechanism allowed member states to receive financial support to step up the implementation of sustainable reforms and related public investments, including measures addressing challenges identified in the context of the European Semester.
- 51** Financial support was made conditional on member states including reforms in their national recovery and resilience plans (RRPs) and achieving certain milestones and targets. Member states had to contribute to address all or a significant sub-set of challenges identified in the CSRs but were not required to address each policy area. We examined whether these plans contained relevant reforms aimed at removing barriers to cross-border services.
- 52** We found that among the 10 member states that received recommendations in 2019 concerning services (*Figure 3*), Spain, Croatia, Italy, Hungary, Austria and Portugal had included reform measures aimed at deregulation or simplification of services sectors in their RRP (*Annex III*). However, the reforms in the RRP of Croatia, Italy and Portugal only affected marginal sectors of the national economies with very limited or no cross-border effects.
- 53** Italy had also included a reform measure related to tourist guide services in its RRP, yielding positive results for cross-border services (*Box 3*).

Box 3

Major reform of tourist guide services in Italy as a condition for EU financing from the RRF

In Italy, [Law No 190/2023](#), introduced under the RRF²⁰, established a unified national framework for the profession of tourist guides which replaced the previously very fragmented regional regulation of this sector. It ensured free and unrestricted access to the profession by eliminating barriers such as mandatory membership of

¹⁹ Regulation (EU) 2021/241 of 12 February 2021 on establishing the Recovery and Resilience Facility.

²⁰ RRP Mission 1: Digitalisation, innovation, competitiveness, culture and tourism; C3 – Tourism and culture 4.0.

professional bodies, fee schedules, insurance requirements, and penalties for non-attendance at training courses. Registration is now free, after passing a national exam, there are no caps on exam candidates or licensed guides, and professionals may operate freely across the entire national territory.

The reform facilitated the cross-border market entry of service providers, ensuring full recognition of professional qualifications obtained in other EU member states or in countries treated as equivalent for this purpose.

- 54** For the post-2027 multiannual financial framework the Commission proposed using similar approach to RRF, making fund disbursement conditional on satisfactory completion of key steps of reforms and investments. Linking EU financial support to the fulfilment of conditionalities such as the successful adoption and implementation of a reform could in principle be an effective tool for overcoming regulatory and administrative barriers to cross-border services. So far, however, use of this funding mechanism in reforming services sector has been very limited²¹.

The Commission's enforcement of single market rules for services faced significant challenges

- 55** Member states had to transpose the Services Directive into national legislation by the end of 2009 and make their national legislation compatible with it. The Commission may initiate infringement procedures against member states that fail to implement the provisions of the EU single market rules. We examined how effectively the Commission investigated infringements of the Services Directive brought to its attention. Moreover, we examined whether there were any other barriers to successful implementation of the Directive in the member states we visited.

Terms used for the single market rules were not always clear

- 56** The Services Directive distinguishes between the freedom to (temporarily) provide services and the freedom of establishment in another member state. There is, however, no legal definition of the term “temporary provision of services” in EU legislation.
- 57** According to the national authorities, in spite of some case-law of the EU Court of Justice, this leads to uncertainty regarding the practical application of the provisions on temporary cross-border services. Often the national legislation regulating certain economic activities

²¹ Special reports [21/2022](#), [07/2023](#), [26/2023](#), [13/2024](#), and [09/2025](#).

only indicates the requirements for the activities, without clarifying whether they also apply to temporary service providers. The competent authority must therefore comprehensively examine the circumstances of each individual case. For businesses, this can mean additional costs, because they cannot provide a service freely but must formally establish themselves in another member state and fulfil all the national rules, for example for recognition of professional qualifications.

- 58** The fact that a key term of the Services Directive has not yet been clarified sufficiently is likely to generate legal uncertainty and unnecessary costs for service providers, and may undermine the provision of services across member states.

Some member states delayed the implementation of the Service Directive

- 59** As a last resort to enforce compliance with EU law, the Commission may refer a member state to the Court of Justice of the European Union (the CJEU) for an infringement²². National courts may also request preliminary rulings of the CJEU to enable them to rule on a particular case. However, these procedures are often lengthy, allowing instances of non-compliance to persist for years. One such example is the case of public concessions in Italy (**Box 4**).

Box 4

Significantly delayed implementation of the Services Directive for public concessions in Italy

Since the entry into force of the Services Directive, the Commission has opened an infringement procedure against Italy, because contrary to [Article 9 of the Services Directive](#) public concessions for beach services were not awarded through public tendering procedures. Although the national provisions were repealed in 2010, subsequent national legislation repeatedly extended existing concessions and postponed public tenders for their reassignment²³. Despite a 2016 judgment of the CJEU²⁴, which confirmed that such concessions fall in the scope of the Services

²² TFEU, Article 258.

²³ [Law no 494](#) of 5.12.1993; [law no 25](#) of 26.2.2010 and [law no 145](#) of 30.12.2018.

²⁴ Judgment of the Court (Fifth Chamber) of 14 July 2016, [Joined Cases C-458/14 and C-67/15](#).

Directive, a new law decree adopted in 2024²⁵ further extends the validity of concessions until 2027.

A similar situation applied in the retail sector, where only in 2023 did a new law reform the system for assigning concessions for trade in public areas²⁶. This form of trade represents around one fifth of all retail activity in Italy, with approximately 160 000 retailers subject to concessions in 2023. However, the same law also provided for extensions of concessions granted for a 10-year term.

- 60** Hungary has repeatedly been criticised by the Commission, through CSRs since 2013, for creating an unfavourable environment for foreign businesses providing services in sectors such as banking, retail, energy, transportation, or insurance where restrictive regulations and arbitrary administrative interventions limit competition and affect business profitability. These conditions may discourage cross-border services and direct investment from service providers in other EU member states or third countries. While not all of these new barriers fall within the scope of the Services Directive, they risk further fragmenting Hungary's services markets from the EU single market (*Box 5*).

Box 5

Regulatory restrictions in Hungary undermining fundamental single market principles with relevance for services

Discriminatory fuel prices

Hungary introduced lower official fuel prices for vehicles with Hungarian number plates, excluding vehicles with foreign number plates. The Commission launched a formal infringement procedure in 2022, following a complaint that this measure breached EU rules on the free movement of goods and services in the EU.

Discriminatory measures in the retail sector

Hungary has also adopted several measures restricting market access. In 2014, a law banning loss-making supermarkets was introduced to protect domestic businesses from large, often foreign-owned, competitors. The Commission subsequently requested the removal of the restrictions. In 2025, it opened new infringement procedures (still ongoing in early 2026), again calling on Hungary to comply with the rules on freedom of establishment and to ensure equal treatment of economic operators in relation to certain products.

²⁵ Law decree No 131 of 16.9.2024.

²⁶ Annual Law for Market and Competition No 214/2023.

61 In summary, despite clear EU case law and infringement procedures, some member states have significantly slowed down the implementation of the Services Directive or even introduced new regulatory or administrative barriers further undermining the integration of the single market.

There are significant gaps in the notification of new barriers to the Commission making it largely ineffective

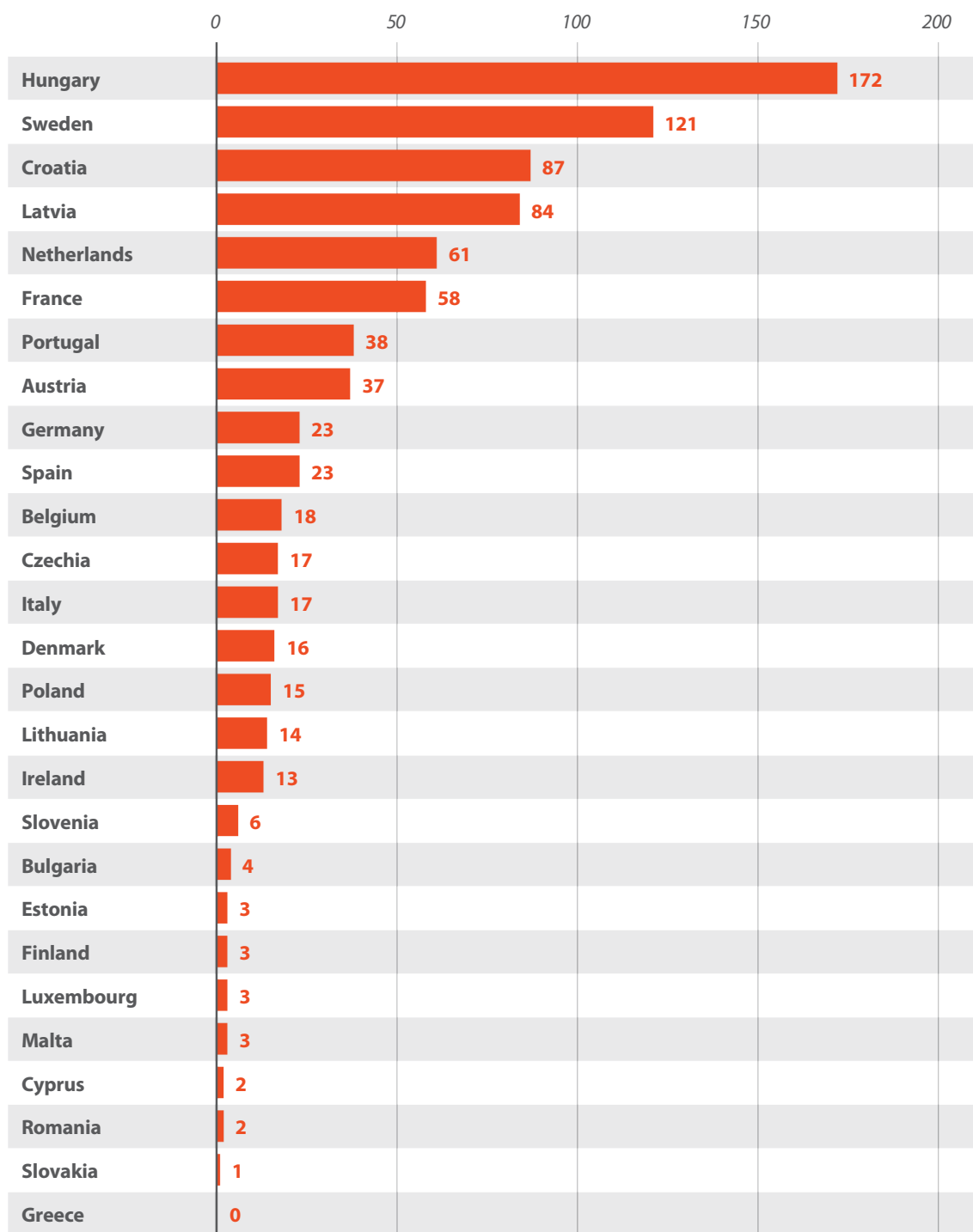
62 Pursuant to Articles 15(7) and 39(5) of the Services Directive, member states must notify the Commission of any new legislative, regulatory, or administrative requirements affecting freedom of establishment and the cross-border provision of services. The Commission must assess their compatibility with EU law and inform other member states by publishing the notification on a dedicated website. We examined whether the member states we visited complied with these notification obligations in a consistent and comprehensive manner.

63 According to Article 15(3) of the Services Directive, new requirements must be non-discriminatory, justified by an overriding reason of public interest and proportionate. These notification criteria do not, for example, cover new authorisation schemes. However, a legislative proposal that the Commission presented in 2016 to address this gap was withdrawn in 2021²⁷.

64 Between 2016 and 2024, the Commission received 847 notifications under the Services Directive. Our analysis showed significant differences in how member states use this procedure. For example, Greece has never submitted a notification and nine other member states submitted fewer than 10 notifications during this period, while Hungary and Sweden each submitted more than 100 (*Figure 4*).

²⁷ COM(2016) 821.

Figure 4 – Notifications by member states (2016-2024)



Source: ECA, based on European Commission.

- 65** The provisions of the Services Directive apply to all measures introduced in the member states at national, regional and local level. However, in the member states visited there was no uniform understanding regarding the obligations for notifying regional or local rules. While some member states notified service-related requirements at regional or local level, other member states notified only national measures.

- 66** Although the Commission updated its [guidance to member states](#) in 2022 and improved the notification form to be used by member states in 2024, the national authorities in the member states we visited pointed out that they still lack sufficiently clear guidance from the Commission regarding the assessment of national regulations for compatibility with the Services Directive, for example in respect of non-discrimination, necessity and proportionality of draft national legislation. Similar guidelines for evaluation were established in [Directive \(EU\) 2018/958](#) on a proportionality test before adoption of new regulation of professions²⁸.
- 67** After assessing the notifications, the Commission usually informed member states in cases of apparent non-compliance with the Services Directive. However, its own efforts to identify unnotified national legislation were limited. In 2019 and 2020, the Commission conducted screening exercises in all member states for the first time, identifying around 10 cases of apparent non-compliance each year. The member states concerned subsequently notified the measures in question or amended their legislation to bring it into line with the Services Directive. In 2024, the Commission conducted a similar exercise but due to limited resources it covered only two regions in Germany and Poland.
- 68** It follows from the above that there are significant gaps in the notification process, which consequently does not ensure that the Commission is adequately informed about new requirements that may constitute a barrier to the single market for services. The scope and frequency of the Commission's own investigations are not sufficient to compensate for these gaps.

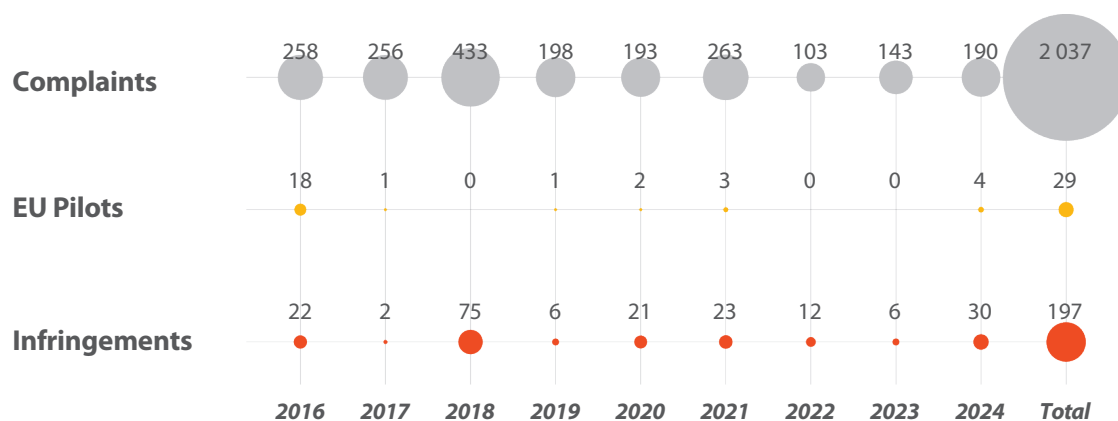
Commission's processing of complaints related to services had weaknesses

- 69** Complaints are an important source of information for the Commission regarding possible infringements of EU rules on services. If any citizen or company considers that a member state has infringed EU law, for example by adopting legislation or taking administrative action, they can lodge a complaint with the Commission. We examined a sample of 30 complaints and other cases selected from the Commission's database (THEMIS) to assess whether the Commission prioritised complaints effectively and took appropriate action in cases of significant infringement of EU rules.
- 70** Since 2016, the Commission has received 2 037 complaints from the 27 EU member states regarding infringements of the rules on free provision of services across member states.

²⁸ See also [special report 10/2024](#), paragraph 34.

After assessment, only a few cases resulted in formal infringement proceedings against member states (*Figure 5*). Complaints initiated 34 % of EU Pilot dialogue cases, where the Commission tried to address suspected non-compliance with EU law through informal dialogue with the member state concerned, and 13 % of infringement procedures.

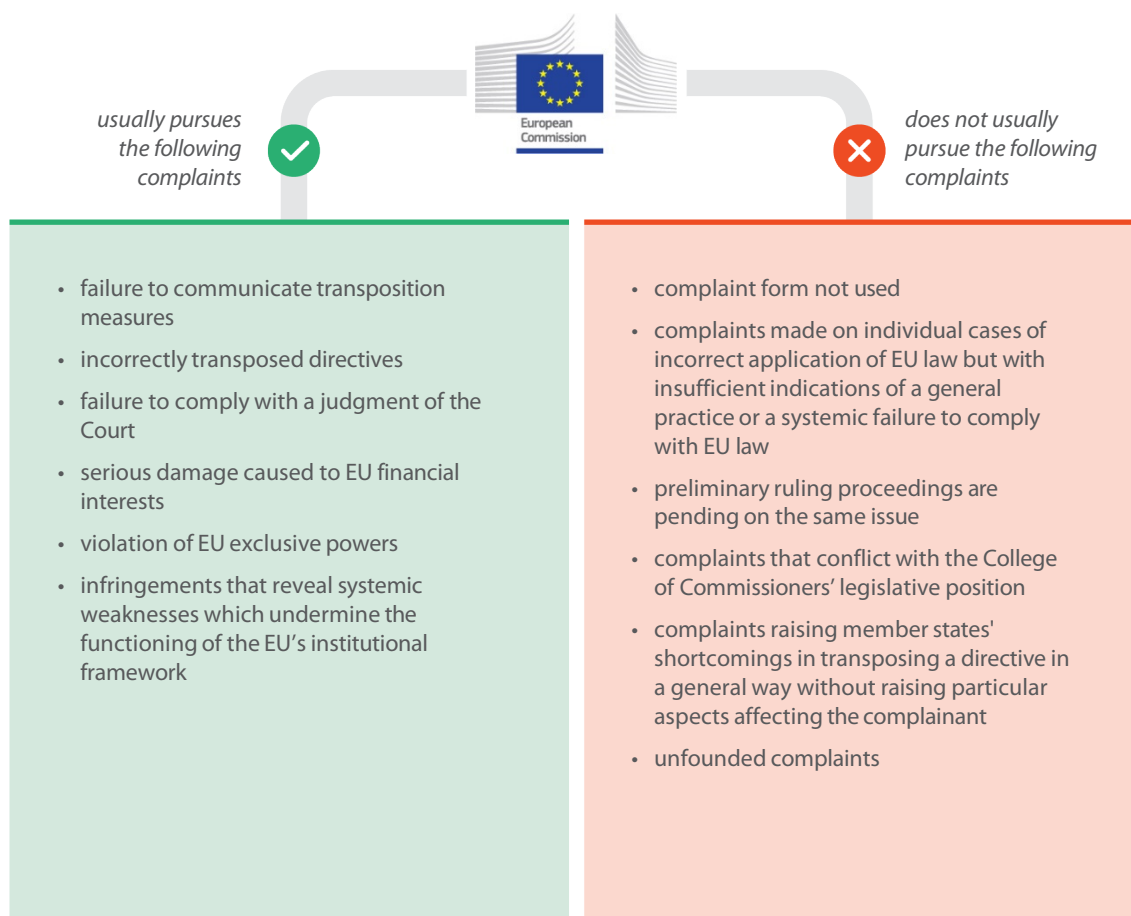
Figure 5 | Annual totals for complaints, EU Pilot dialogue cases and infringement procedures



Source: ECA, based on European Commission.

- 71** Under the EU Pilot dialogue, set up in 2008, the Commission tried to discuss and resolve potential breaches of EU law with member states in order to avoid formal infringement procedures under Article 258 TFEU where possible. However, since 2017, the Commission has only used EU Pilot for 11 breaches related to services (compared to 95 cases between 2013 and 2016), as it did not consider the tool to be effective for solving the cases in question.
- 72** To manage its resources efficiently, the Commission must prioritise the complaints and decide what action to take. To this end, the Commission’s internal guidelines for assessing complaints, based on the 2017 [Communication “EU law: Better results through better application”](#), include categories of cases to be considered a priority and categories that are not usually pursued (*Figure 6*):

Figure 6 | The Commission's prioritisation criteria for complaints



Source: ECA, based on European Commission.

73 For the cases to be pursued, we did not find evidence that the Commission had applied clear criteria for prioritisation: Although for processing a complaint, case handlers have to document and justify the enforcement priority (paragraph 72), this had not been done for any of the 30 cases in our sample.

74 The de minimis clause in EU law is designed to promote efficiency by excluding minor cases and preventing unnecessary enforcement procedures. As the Services Directive contains no such clause, the Commission had to follow up on all justified and duly submitted complaints, including many concerning niche markets, which absorbed significant resources.

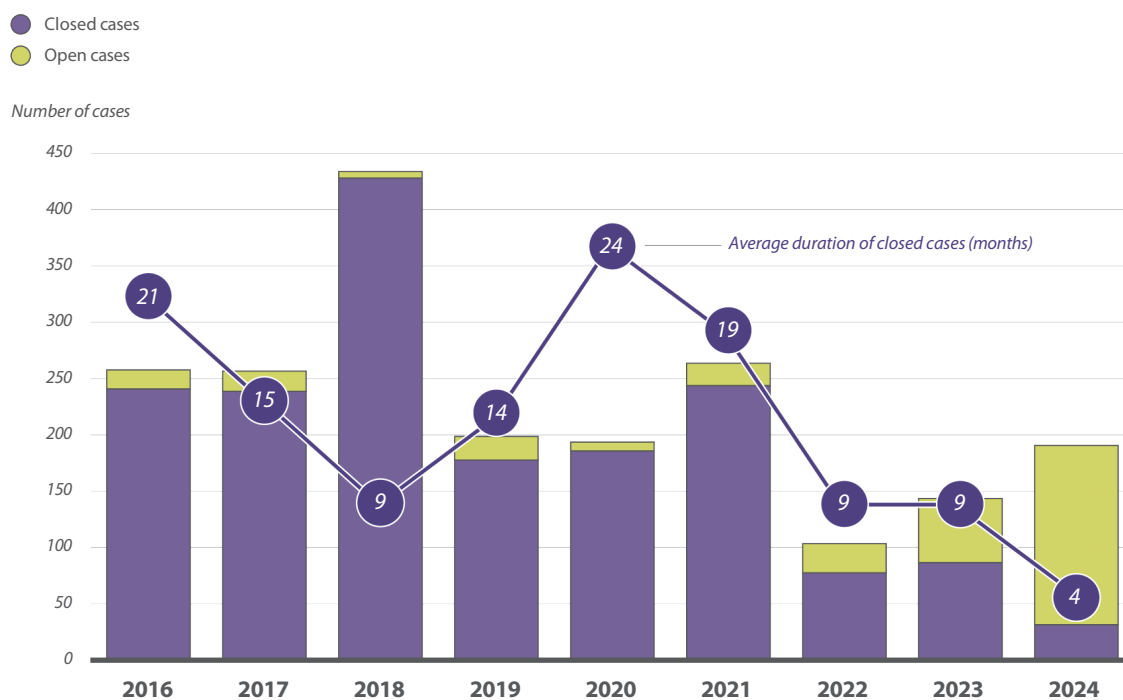
The closure of complaints to the Commission was sometimes lengthy and disadvantaged small companies

75 The Commission must conduct a preliminary assessment of all complaints within two months of registration. If a complaint needs further examination, its assessment should

normally be concluded within one year of registration. All files that have been pending for over a year should be assessed as a priority²⁹. We examined how long the Commission took to address complaints.

76 Between 2016 and 2024, it took the Commission 15 months on average to resolve complaints regarding services. Despite longer processing times during the period from 2019 to 2021, the average duration of cases has declined considerably since 2016 (Figure 7). However, the lengthy procedures remain common. Around one third of the cases did not meet the 1-year deadline, while 75 complaints took over 5 years from registration to closure which represents around 4.4 % of the complaints closed.

Figure 7 | Complaints concerning services: number of open and closed cases and average duration of closed cases (2016 to 2024)



Source: ECA, based on European Commission.

77 We found that the Commission did not always conduct its assessment of complaints in line with its procedural rules. In some cases, records of preliminary assessments were missing, or complainants had not been informed that their complaints had been pending for more than a year. Furthermore, three infringement cases against Hungary, Romania and Slovakia were not pursued further during the COVID-19 pandemic and were closed without

²⁹ See also action 20 of the Commission's 2020 long-term action plan.

reassessment³⁰. In one case, the Commission only issued recommendations despite having identified a potential infringement of EU law ([Box 6](#)).

Box 6

Complaint regarding the posting of workers in Germany

The Commission received a complaint concerning the temporary posting of workers hired from temporary employment agencies by service providers to work in the construction sector in Germany³¹.

Although the Commission considered that the German temporary employment law could prevent this posting, it only opted for a recommendation³². So far, Germany has not taken any action on the matter and the Commission has not closed the case yet.

- 78** Most of the complaints handled by the Commission were submitted by small and medium-sized enterprises (SMEs) or individuals that considered that their right to provide services in another member state had been infringed. SMEs are more likely to provide services on a temporary basis, whereas larger companies tend to establish a permanent presence in the country concerned and therefore encounter fewer cross-border barriers. However, many SMEs may have refrained from submitting complaints to the Commission because of the lengthy procedures and the uncertain outcome.
- 79** Apart from the complaints mechanism, businesses have limited options for objecting to regulatory or administrative barriers when providing services in another member state. For SMEs, in particular, it is often too costly and time-consuming to initiate legal proceedings in the national courts (of another member state) with uncertain prospects of success.
- 80** In summary, the Commission's managed to shorten its handling of complaints against barriers to the provision of cross-border services but lengthy procedures were still common and did not always result in infringement cases against the member state concerned, even in justified cases. This situation particularly disadvantaged smaller service providers, which are more likely to be affected by such barriers but less likely to bring formal complaints or seek legal redress in national courts.

³⁰ INFR(2020)2091, INFR(2020)2090 and INFR(2020)4007.

³¹ CPLT(2020)02219.

³² [Transition pathway for Construction](#), European Commission, 2023, pp. 40 and 44.

The tools to facilitate cross-border services were largely ineffective

81 During the period covered by this audit, the Commission and the member states had the following tools available to facilitate the smooth functioning of the single market including cross-border services for businesses:

- [Points of Single Contact](#) (PSCs), providing a single point through which service providers can complete all procedures and formalities online³³.
- [SOLVIT](#)³⁴, a free-of-charge problem-solving service coordinated by the Commission and provided by national administrations since 2002. The network helps citizens and businesses experiencing difficulties in having their EU rights recognised by public authorities in another country, in particular while moving or doing cross-border business in the EU. The service provides an alternative to initiating formal proceedings in court, submitting a complaint to the Commission, or launching a petition³⁵.
- The [Single Market Enforcement Task Force](#) (SMET), a forum where the Commission and member states work together to eliminate the biggest single market barriers.

82 We examined whether these tools were used sufficiently and effectively to facilitate cross-border services in the EU. To this end, we analysed available user data and the outcome of relevant SMET action and we surveyed PSCs in all member states.

The points of single contact do not yet fulfil their role as intended by the Services Directive

83 In order to simplify administrative procedures for service providers, the Services Directive established PSCs to make essential information (such as local requirements) easily accessible to both providers and recipients of services³⁶. Member states are free to decide how many PSCs they need and whom they entrust with this role. Two member states in

³³ Articles 6 and 8 of the Services Directive.

³⁴ [Commission Recommendation 2013/461/EU](#).

³⁵ [COM\(2025\) 500](#), p. 28.

³⁶ Article 7 of the Services Directive.

our sample (Germany and Italy) have a largely decentralised system and therefore entrusted municipalities and chambers of commerce and skilled crafts with this role.

- 84** In order to implement the Services Directive effectively, the Commission agreed a charter with the member states as part of its 2012 Services package. The aim of the charter was to encourage the member states to make PSC services more accessible and user-friendly³⁷. In 2018, the Commission launched an infringement procedure against all member states for non-compliance with the relevant provisions of the Services Directive on PSCs. After closing the procedure, the Commission worked with the member states to draw up a good-practice catalogue in 2024, in order to further improve the PSCs.
- 85** In the member states visited, we assessed what progress the PSCs had made in implementing the good-practice catalogue. Alongside our visits, in June 2025 we conducted a survey among the PSCs in the 27 member states (see extract in [Annex IV](#)).
- 86** Both the survey results ([Annex V](#)) and our visits to member states indicate that many PSCs do not operate in line with the Services Directive and have not yet implemented the good-practice recommendations ([Box 7](#)).

Box 7

Need for improvement of PSC services

Of the 27 member states, 16 operate a central PSC. However, we observed that only three complied fully with all the requirements of the Services Directive (France, Poland and Sweden). In eight member states, service providers cannot complete all the administrative formalities needed for their cross-border activities through the PSC, and in nine member states the PSCs do not provide all the required information, such as how to access public registers and databases or what to do in case of a dispute. Only in six member states can businesses complete all formalities online, and only in seven member states do the PSCs follow the Commission's good-practice recommendations.

All eleven member states with decentralised PSCs have one or more PSC, which did not comply with all the requirements of the Directive, for instance because service providers cannot complete all the administrative formalities needed for their cross-border activities, or because the PSC does not fully meet the information requirements.

³⁷ [COM\(2012\) 261](#), Commission communication on a partnership for new growth in services 2012-2015, p. 12.

Among the decentralised PSCs, only those in Spain, Slovenia and Austria fully follow the practices and recommendations. For example, in Czechia, Germany, Italy and Slovakia, some PSCs do not provide information in English.

In 13 member states, businesses seeking to benefit from PSC services could not use their national electronic identification details across all PSCs.

The [European Single Digital Gateway](#) is an EU initiative designed to facilitate online access to information and administrative procedures by the end of 2020³⁸. However, our survey found that the PSCs in Belgium, Czechia, Germany, Italy, Hungary and Romania cannot be accessed through the gateway.

- 87** As the PSCs usually keep only limited data on requests for information or assistance from businesses in another member state, it was difficult to assess the extent to which they facilitated cross-border services. In four member states with a decentralised approach and about one third of member states with a centralised approach, the PSCs do not collect this information. Among the member states with a centralised approach, our survey showed that more than half received fewer than 50 requests per year. This raises questions about the overall usefulness of the PSCs.

Businesses rarely used SOLVIT for resolving legal issues arising from cross-border services

- 88** SOLVIT is still rarely used for services, with barely any change since 2015, when we examined the situation for our previous special report. In 2024, only 25 cases out of 3 427 in total related to services similar to the 2014 figures (17 out of 2 368)³⁹.
- 89** The [2024 Eurochambres Single Market Survey](#) found that, when faced with cross-border barriers, businesses usually sought legal advice or contacted chambers of commerce and industry. According to Eurochambres, the limited use of SOLVIT may be due to a lack of awareness among businesses.

³⁸ Regulation (EU) 2018/1724.

³⁹ Special report 05/2016, paragraph 82.

The single market enforcement task force achieved limited tangible results for services

- 90** Since its creation in 2020, the SMET has launched 11 projects, of which only two concerned services. One project, [Prior checks on qualifications](#)⁴⁰, has already been completed. The other project, [Streamlining administrative requirements for cross-border service providers](#), was launched in 2022 and was still ongoing in October 2025. At the time of writing this report, Hungary had not yet actively participated in the task force⁴¹.
- 91** We reviewed the project on streamlining the administrative requirements for the posting of workers. It is relevant for the application of the Services Directive, where, for instance, a service provider wins a contract for the provision of services in another member state and sends their employees temporarily there to carry out the works. In 2025, the project had achieved limited results in facilitating the posting of workers.
- 92** The task force identified eight best practices to reduce the administrative burden for businesses ([Box 8](#)). While most member states agreed that contact persons did not have to be physically present in the country of posting, there was no such willingness to limit declarations to sectors with a substantial risk for non-compliance with the posting rules. This could have significantly lowered the burden for many businesses in non-risk sectors, but only 11 member states intended to consider such a targeted approach⁴². Some of the visited member states believed that exemptions would result in a substantial loss of control information and the effectiveness of inspections.

⁴⁰ See also our [special report 10/2024](#) on the recognition of professional qualifications in the EU.

⁴¹ [SWD\(2025\) 217](#), p. 52.

⁴² [Single Market Enforcement Taskforce report 2023-2024](#), European Commission, p. 13.

Box 8

SMET project on posting of workers

The task force identified eight best practices applied by member states that could reduce the administrative burden imposed on businesses when posting workers to other member states. Examples included:

- requiring a prior declaration only in areas at a substantial risk of non-compliance with posting rules, or for postings exceeding a set duration;
- allowing service providers to submit the prior declaration by the end of the first day of work;
- only requiring key documents such as an employment contract, payslips, and timesheets, and allowing service providers a reasonable length of time to submit documents upon request;
- allowing service providers to submit documents in any EU language, and ensuring greater flexibility regarding the reachability of contact persons in case of checks by the authorities.

93 Overall, the main tools used by the Commission and member states to facilitate cross-border services were ineffective, based on the following:

- not all PSCs meet the requirements set out in the Services Directive and the 2024 good-practice catalogue, and, more importantly, where such information is available, their services are only sporadically used, so they do not yet fulfil their role as intended by the Services Directive;
- SOLVIT receives only a small number of services-related cases;
- SMET has achieved limited tangible results for services.

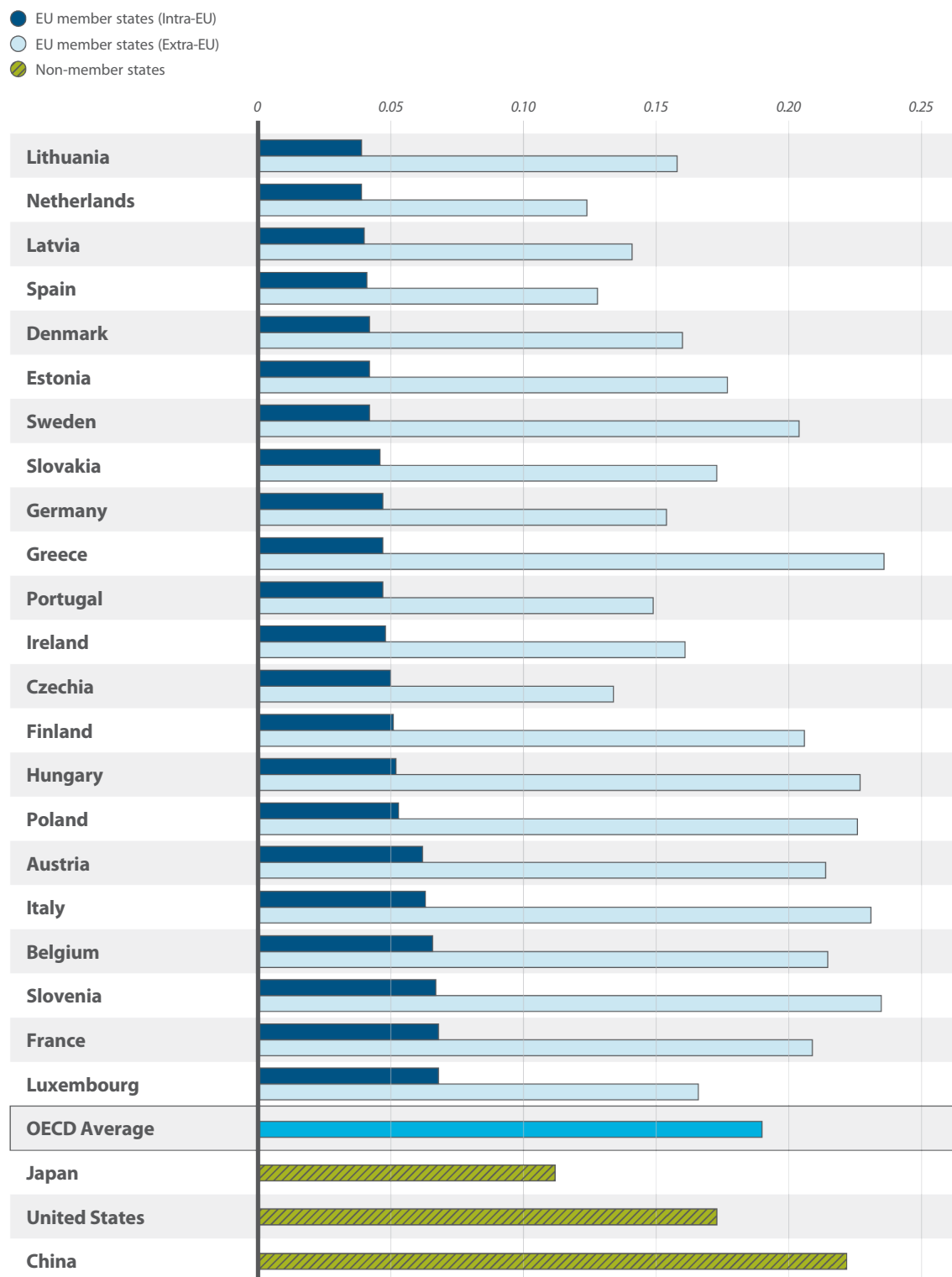
Costs, benefits and potential impact of further service market integration are not yet sufficiently assessed

The EU single market for services is comparatively integrated but many barriers are left

- 94** We reviewed information on the level of integration of the single market for services from other sources. One example is the [Services Trade Restrictiveness Index \(STRI\)](#) of the Organisation for Economic Co-operation and Development (OECD). The STRI does not measure economic integration but provides information on regulatory barriers that affect trade in 22 key services sectors in 51 countries. The index incorporates restrictions on entry for foreign service providers, barriers to competition such as the presence of state-owned enterprises with preferential treatment, regulatory transparency, restrictions on the movement of people, for example posting of workers, and other discriminatory measures⁴³. The sectors included do not fully match those covered by the Services Directive.
- 95** The STRI suggests that the intra-EU restrictions to services are considerably lower than the OECD average or the barriers for trade in service with non-EU member states. According to this OECD index, barriers restricting services in the member states are relatively limited in the EU single market on an aggregate level across sectors monitored, and significantly lower than for trade in services with non-EU member states or in comparison with barriers set up by other important economies for foreign service providers.
- 96** For individual member states and sectors, the STRI index shows that barriers can vary significantly and can change over time, for example when a member state introduces new barriers to services ([Figure 8](#)).

⁴³ Geloso Grosso, M. et al. (23 January 2015), “[Services Trade Restrictiveness Index \(STRI\): Scoring and Weighting Methodology](#)”, OECD Trade Policy Papers, No. 177, OECD Publishing, Paris.

Figure 8 | OECD Restrictiveness Index for trade in services (2024)*



Note: Zero indicates absence of restriction and one – most restrictive regulatory environment.

* No data for Bulgaria, Croatia, Cyprus and Malta.

Source: ECA, based on [OECD STRI database](#), own calculations.

97 Other sources, however, show that there are still significant benefits for the single market for services that could be realised if the existing barriers for services were removed. For example, in 2022, the Commission assessed the economic impact of the implementation of the Services Directive and the removal of barriers in the EU services sector between 2006 and 2017⁴⁴. The study built on the quantification of the restrictiveness level of the EU services markets and tried to quantify the macroeconomic impact of the reforms that had taken place by 2017. The study suggested that further regulatory reforms in the services sector could represent a significant boost for the resilience of the single market and a vital contribution to EU GDP. This is supported by other analyses that indicate the persistence of barriers or predict similar gains in competitiveness and economic growth⁴⁵.

The Commission's key performance indicators for the single market provide insufficient information on services

98 The Commission monitors key performance indicators (KPIs) for the single market through the [Single Market and Competitiveness Scoreboard](#) and reports on them in its Annual Single Market and Competitiveness Reports. The KPIs focus on areas like market integration, enforcement of rules, business conditions, and competitiveness to identify challenges like regulatory burdens and fragmentation. Specific KPIs cover transposition and conformity deficits (how well rules are applied), trade integration in goods and services, access to public procurement and services, and economic resilience and digital transition indicators. We reviewed and assessed the Commission's KPIs in terms of their capacity to monitor the integration of the single market for services and show the impact of EU legislation on the facilitation of cross-border services.

99 The [Single Market and Competitiveness Scoreboard](#) provides a broad spectrum of indicators reflecting the state of the single market. The most relevant indicators for services markets relate to the restrictiveness of national services markets. However, these are limited to a group of liberal professions such as law, architecture and accountancy, and to the recognition of certain professional qualifications and postal services.

⁴⁴ Footnote ⁶.

⁴⁵ Eurochambres, *2024 single market survey – overcoming obstacles, developing solutions*; Deutsche Industrie- und Handelskammer, *DIHK-single market survey on barriers 2024*; Dorn, F., Flach, L., Gourevich, I., *Building a stronger Single Market: Potential for deeper integration of the services sector within the EU, 2024*.

- 100** It is crucial to compare the evolution of indicators over time, yet reporting in the Annual Single Market and Competitiveness Reports varies from year to year, with differing numbers of KPIs. This makes comparison over time difficult. The reporting focuses mainly on high-level indicators such as the share of intra-EU services trade in the EU GDP and the share of services in the total value added in exports. However, these do not account for businesses that establish themselves in other member states to provide services, or sectors that are economically significant or highly dynamic within the single market. The Commission had not used data from the OECD STRI index to build a KPI to present a fairer picture of the integration of the single market for services but the Commission also lacked relevant sector-specific data.
- 101** Another relevant measure to monitor is the growth of productivity in the EU, which remains lower and has increased more slowly than in peer economies⁴⁶. However, our analysis found that the current indicator framework captures trade and regulatory outcomes but does not systematically measure the key structural drivers of productivity across different industries or their role in creating skilled jobs.

The Commission has not yet carried out a comprehensive evaluation of the costs and benefits of integrating the single market for services

- 102** Prior to presenting its legislative proposal in 2004, the Commission assessed the impact of the future Services Directive on the economy, social issues, the environment and national administrations⁴⁷. The assessment forecast positive effects on trade and investment, employment, small and medium sized enterprises, innovation, labour productivity, and consumer prices. Overall, it concluded that the removing barriers to the internal market for services would generate substantial benefits for the EU, in terms of economic growth and job creation.
- 103** Under the Services Directive, the Commission must assess every three years how the Directive is applied, particularly regarding non-discriminatory access to services and the removal of barriers to the internal market for services. It may include proposals for amendments in its report if deemed necessary⁴⁸. The Commission's better regulation

⁴⁶ COM(2023)168, Commission communication on long-term competitiveness of the EU: looking beyond 2030, p. 1.

⁴⁷ SEC(2004) 21, Commission staff working paper, "Extended impact assessment of proposal for a directive on services in the internal market".

⁴⁸ Article 41 of the Services Directive.

guidelines also require the continuous and systematic generation of evidence on the application and effects of EU law over time⁴⁹.

- 104** We examined whether in recent years the Commission has assessed the costs and benefits of removing barriers to services in the single market. We assessed whether the Commission had analysed the trade-off between greater harmonisation in the single market resulting in reduced transaction costs and a more level playing field for businesses, and the costs of adaptation for businesses, for example costs relating to compliance with new rules.
- 105** The Commission has reported on the application of the Services Directive, most recently in 2021. However, this report has mainly provided legal reviews of the barriers and has not included economic assessments.
- 106** In 2012, three years after the deadline for member states to transpose the Services Directive into national law, the Commission published its first assessment of the Directive's economic impact⁵⁰. However, our [2016 special report](#) concluded that this study used data on barriers existing prior to the 2009 deadline and only predicted the effects of removing them. Therefore, the report concluded that there was still no reliable quantification of the economic impact due to the lack of appropriately detailed data on sectors affected by the Directive⁵¹.
- 107** Since 2015, the Commission has conducted several smaller studies on specific aspects, for example the [impact of the regulatory environment on digital automation in professional services \(2021\)](#), [using behavioural economics to evaluate professionals' incentives in business service professions \(2021\)](#), and [competition and its economic outcomes in selected business services professions in the EU](#). There is no study yet which provides information on the costs of regulatory reforms for businesses nor explains precisely how deregulation should be achieved. We already highlighted in our [special report 28/2018](#) that beneficiaries often consider that frequent modifications to rules and guidance can cause confusion and uncertainty and thus may go against smooth programme implementation and the aim of simplification.

⁴⁹ SWD(2021) 305.

⁵⁰ "The economic impact of the Services Directive: a first assessment following implementation", [Economic Papers No 456](#), June 2012, European Commission, DG ECFIN, Product Market Reforms Unit, Brussels, 2012.

⁵¹ [Special report 05/2016](#), paragraphs 38 and 114.

- 108** Mario Draghi's and Enrico Letta's reports (paragraph 05) emphasise the role of services and forecast significant future growth. They acknowledge the importance of the regulatory burden for businesses, especially SMEs, and the need to remove barriers to services to unlock the full potential of the single market. However, they do not quantify the economic impact of barrier removal, nor do they discuss the corresponding costs and benefits.
- 109** In summary, the Commission has not yet carried out a systematic evaluation of the costs and benefits of integrating services into the single market or the impact the current regulatory framework and barriers have had so far on growth and employment.

This report was adopted by Chamber IV, headed by Mr Petri Sarvamaa, Member of the Court of Auditors, in Luxembourg at its meeting of 26 February 2026.

For the Court of Auditors



Tony Murphy
President

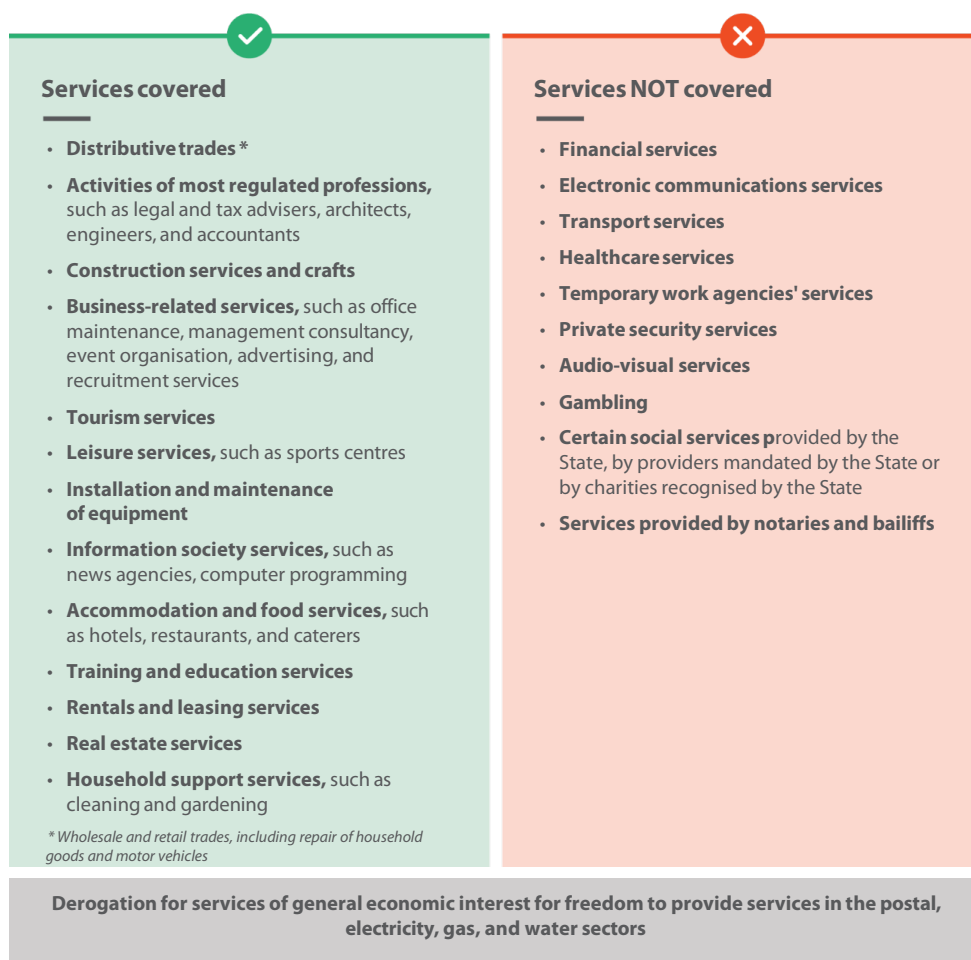
Annexes

Annex I – About the audit

The scope of the Services Directive

- 01** The Services Directive is the main legislative instrument for removing the most significant national barriers to EU trade in services. It covers nearly half of all services (in terms of EU GDP) in the EU (*Figure 1*)¹.

Figure 1 – Scope of the Services Directive



Source: ECA, based on European Commission.

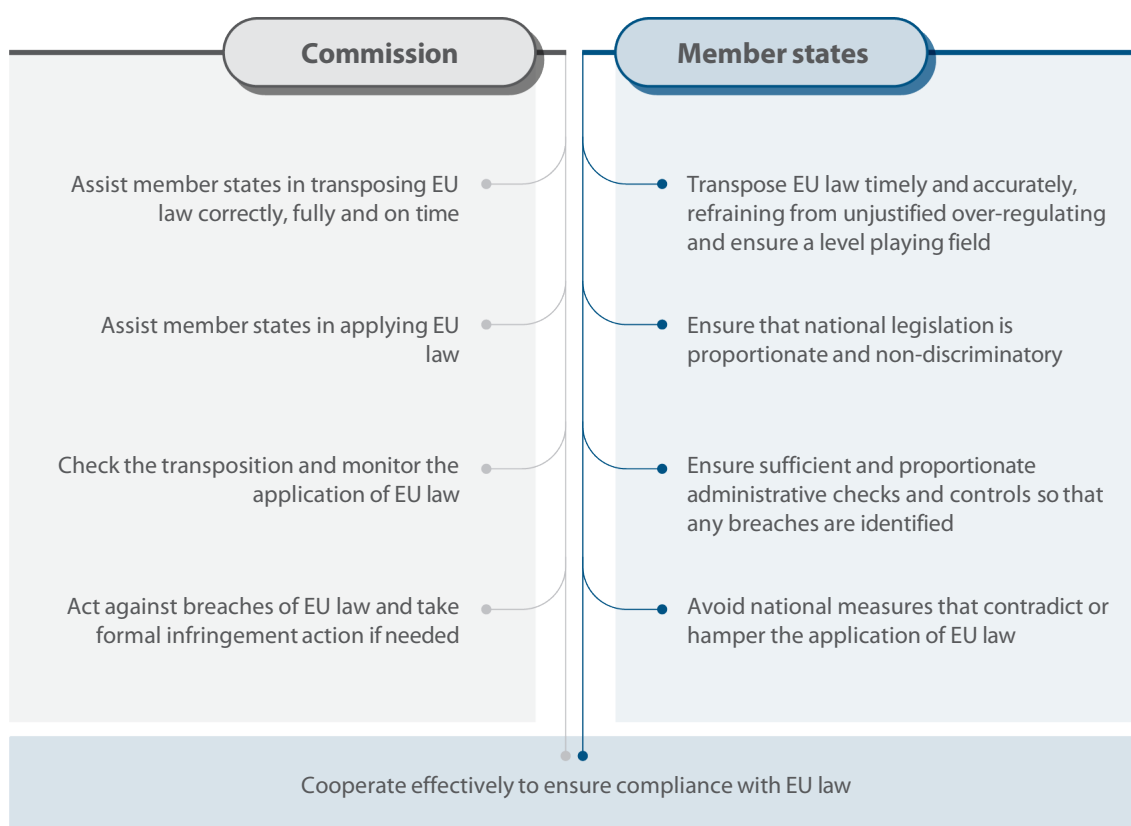
¹ Copenhagen Economics, *Making EU Trade in Services Work for All*, 2018.

- 02** Other relevant EU rules in the area of services are Directive 96/71/EC on posting of workers and Directive 2005/36/EC on the recognition of professional qualifications.

Roles and responsibilities

- 03** Under the Treaty on the Functioning of the European Union (TFEU), the Commission and the member states share competences in the EU single market. The distribution of tasks and responsibilities between the Commission and the member states is shown in [Figure 2](#).

Figure 2 – Tasks and responsibilities for the implementation and enforcement of single market rules



Source: ECA, based on European Commission.

Audit scope and approach

- 04** We previously examined the implementation of [Directive 2006/123/EC](#) (the “Services Directive”) in our 2016 special report². Nine years later, and after publishing a special report on the recognition of professional qualifications³, we revisited the issue to assess

² [Special report 05/2016](#).

³ [Special report 10/2024](#).

whether the Commission had effectively identified and addressed barriers, and whether it had worked with member states to remove them.

- 05** The objective of our audit was to assess whether the Commission was effective in removing barriers to services hindering growth and development in the EU. We examined whether the Commission:
- (a) has established a clear and comprehensive approach to strengthen the single market in services,
 - (b) has enforced the single market rules successfully,
 - (c) ensured that the tools to facilitate cross-border services were effective, and
 - (d) has monitored the service integration into the single market and assessed its costs, benefits and impact of the Services Directive in the main economic sectors.
- 06** The audit covered the period between 2015 and 2025 with the main focus on actions undertaken by the Commission since 2020. We did not examine whether the member states implemented the Service Directive correctly. However, we analysed the national barriers and their root causes. Our [audit methodology](#) complies with the international standards on auditing issued by the [International Organization of Supreme Audit Institutions \(INTOSAI\)](#).
- 07** We analysed the Commission’s work and documentation, looking at a sample of 30 barriers classified by the Commission as “very restrictive” in its 2021 mapping and assessment of barriers, and a sample of 30 complaints and other cases selected from the Commission’s database (THEMIS). We selected the samples on the basis of their relevance for the single market for services.
- 08** We interviewed representatives from national administrations and business organisations from a sample of six member states: Germany, Estonia, France, Italy, Lithuania, and Hungary. We selected these member states based on available information on the degree of regulatory restrictiveness (upper and lower end), the importance of the services sector for the national economies, and geographical distribution.
- 09** To complement the above sources of information, we surveyed the points of single contact (PSC) in the 27 member states (see extract in [Annex IV](#) and results in [Annex V](#)). In total 8 175 PSC (of which 7 886 from Italy and 186 from Germany) were surveyed by means of the EU Survey tool. All central PSCs (16) replied to our survey; in member states with a decentralised approach the response rate ranged from 1.3 % for Italy to 55.6 % for Austria.

- 10** In our work on performance indicators and our review of the Commission's analysis of the costs and benefits of integrating the single market for services, we were supported by an external expert.

Annex II – Actions under the Commission’s 2025 strategy

Legend:

Relation to services (S): ● Services related actions ● Non-service related actions ● Both (services and goods) | Relation to legislation (L): ● Legislative ● Non legislative | Owner (O): ● Commission ● Commission and member states

Action description	S	L	O
Chapter 1. Removing barriers: Doubling down on the “Terrible Ten”			
1 Adopt simplification omnibus packages to reduce unnecessary burden to safeguard effective implementation of policy objectives such as the Digital Omnibus aimed at streamlining and simplifying certain elements of the EU digital acquis and the Omnibus to ease compliance with Extended Producer Responsibility obligations (ongoing)	●	●	●
2 Competitiveness checks during the impact assessment phase to ensure Single Market consistency and further innovation (ongoing)	●	●	●
3 Review of national and European agencies in the field of the Single Market with a view to effective application of the law (Q1 2026)	●	●	●
4 Revise the Public Procurement framework to centralise and streamline its fragmented and complex provisions, and to mainstream the use of sustainability, resilience, social and, in certain technologies and strategic sectors, European preference criteria in EU public procurement while ensuring competitive tenders (2026)	●	●	●
5 In coordination with the revision of the Public Procurement framework, revise the Directive on defence and sensitive security procurements to simplify and harmonise rules and procedures for defence procurements and to take into account a possible European preference (2026)	●	●	●
6 Call a first meeting of the high-level Single Market Sherpas (Q4 2025)	●	●	●
7 Organise a first SMET annual high-level political meeting (Q4 2025)	●	●	●
8 Propose a Single Market Barriers Prevention Act (Q3 2027, if necessary, based on the assessment of the functioning of existing preventive tools)	●	●	●
9 Establish common rules to facilitate the digital setup of businesses and their operations across the Single Market (Legislative proposal on ‘28th regime’ - Q1 2026)	●	●	●
10 Revise the Commission Recommendation on business transfers (Q4 2025)	●	●	●
11 Explore EU legislation to address barriers to the mobility of workers	●	●	●
12 Make the procedures for the recognition of professional qualifications faster and more efficient through the greater use of digital tools (Q4 2026)	●	●	●

Legend:

Relation to services (S): ● Services related actions ● Non-service related actions ● Both (services and goods) | Relation to legislation (L): ● Legislative ● Non legislative | Owner (O): ● Commission ● Commission and member states

Action description	S	L	O
13 Facilitate the recognition of professional qualifications by extending automatic recognition schemes, for instance via Common Training Frameworks (Q4 2026)	●	●	●
14 Explore EU legislation to establish common rules for the recognition and validation of qualifications and skills of third country nationals (Q4 2026)	●	●	●
15 Allow the Commission to establish common specifications when needed (Omnibus proposal adopted together with the Strategy)	●	●	●
16 Review the Standardisation Regulation (Legislative proposal - Q2 2026)	●	●	●
17 Harmonise labelling rules via sectoral legislation and facilitate rollout of digital labelling solutions via the Digital Product Passport (progressive introduction of Digital Product Passport, including possible inclusion via the New Legislative Framework review in Q2 2026)	●	●	●
18 Remove unjustified authorised representative requirements from EPR schemes and reduce reporting obligations, including by limiting them to an annual frequency (Omnibus proposal Q4 2025)	●	●	●
19 Address the fragmentation created by heterogenous national EPR schemes through further harmonisation, simplification and digitalisation, including through a digital one stop shop for information, registration and reporting (as part of the legislative proposal for a Circular Economy Act - Q4 2026)	●	●	●
20 Reform end-of-waste and by-product criteria and provide a more harmonised, leaner framework in the Single Market for reaching end-of-waste and by-product status. Ease the adoption of EU-wide end-of-waste criteria and enable the adoption of such criteria for priority waste feedstocks. Facilitate cross-border shipments of waste feedstocks for recycling (as part of the legislative proposal for a Circular Economy Act - Q4 2026)	●	●	●
21 Take effective action to increase product compliance by tapping into synergies with capacities of the EU and national customs and market surveillance authorities and potentially establishing an EU Market Surveillance Authority (as of Q3 2025)	●	●	●
22 Modernise product legislation framework to harness digitalisation, promote circularity and strengthen safeguards (Review of the New Legislative Framework – possible legislative proposal Q2 2026)	●	●	●
23 Launch an initiative to facilitate the provision of pan-EU services by providers authorised or certified in one Member State on the basis of EU law, potentially including the harmonisation of such authorisation and certification schemes (Q2 2026)	●	●	●
24 Develop legal guidance and recommendations to Member States to provide clarity on the right to provide services cross-border on a temporary basis (Q2 2026)	●	●	●
25 Continue supporting the co-legislators to conclude negotiations on: the revision of Regulations (EC) Nos 883/2004 and 987/2009 on social security coordination; the proposal for a public interface for the declaration of posting of workers (COM 2024/531).	●	●	●

Legend:

Relation to services (S): ● Services related actions ● Non-service related actions ● Both (services and goods) | Relation to legislation (L): ● Legislative ● Non legislative | Owner (O): ● Commission ● Commission and member states

Action description	S	L	O
26 Launch a Fair Labour Mobility Package (2026), including – inter alia: Following up to the ongoing pilot activities, proposal of a European Social Security Pass; Proposal for strengthening of the European Labour Authority including reviewing its mandate; Consider measures to make it easier to temporarily provide services cross-border, while protecting workers' rights.	●	●	●
27 Develop tools to act against unjustified territorial supply constraints to cover situations beyond those captured by competition law, such as unilateral practices of large manufacturers (Proposal - Q4 2026)	●	●	●
Chapter 2. Boosting European Services Markets			
28 Propose a Construction Services Act to lower barriers to cross-border market access for construction and installation services (Q4 2026)	●	●	●
29 Work with Member States to simplify permitting and planning procedures to increase the supply of housing in the context of the European Affordable Housing Plan and the European Strategy for Housing Construction (Q1 2026)	●	●	●
30 Launch initiative to facilitate the cross-border provision of industry-related services such as installation, maintenance and repair services (Q4 2025)	●	●	●
31 Issue guidance and recommendations to Member States to free regulated business services from unnecessary regulation hindering investment and trade (Q1 2026)	●	●	●
32 Develop guidance to Member States on the proportionality of their retail regulation (Q4 2026)	●	●	●
33 Propose a new EU Delivery Act, to replace the Postal Services Directive and Cross border Parcels Regulation (legislative proposal Q4 2026)	●	●	●
34 Propose a Digital Networks Act to simplify the legal framework and foster the completion of a Single Market for electronic communications (Q4 2025)	●	●	●
35 Launch initiative for single digital booking and ticketing for rail (Q4 2025)	●	●	●
36 Launch initiative for paperless mobility for passengers and goods (Q4 2026)	●	●	●
37 Launch initiative on cross-border car rentals (Q3 2025)	●	●	●
38 Ensure harmonised implementation and enforcement of the existing horizontal legal framework (EU Services Directive) (ongoing)	●	●	●

Chapter 3. SMEs in the Single Market

Legend:

Relation to services (S): ● Services related actions ● Non-service related actions ● Both (services and goods) | Relation to legislation (L): ● Legislative ● Non legislative | Owner (O): ● Commission ● Commission and member states

Action description	S	L	O
39 Provide an SME ID tool based on self-declaration available in all EU languages to facilitate proof of SME status, where appropriate (together with the Single Market Strategy)	●	●	●
40 Reinforce the Network of SME Envoys, including to encourage the voluntary adoption of measures encouraging SME cross-border trade and contribute to the administrative burden reduction agenda (Q3 2025)	●	●	●
41 Publish best practice examples of SME-friendly provisions that can be systematically considered for inclusion in draft legislative acts and negotiations (Q3 2025)	●	●	●
42 Adopt a definition of small mid-caps and an SMC omnibus (together with the Single Market Strategy)	●	●	●
43 Extend the existing SME fund, implemented by the European Union Intellectual Property Office, for 2026 and possibly 2027 (Q4 2025)	●	●	●
44 Adopt a Commission Recommendation for a “Voluntary SME” standard to manage sustainability requests to SMEs stemming from their value chain and financial partners (Q3 2025)	●	●	●
45 Develop a voluntary streamlined approach to help SMEs demonstrate their sustainability efforts and improve their access to sustainable finance, including by assessing the need to amend the Taxonomy Disclosures Delegated Act to allow financial institutions to better reflect their financing activities of those SMEs (Q1 2026 / Q2 2026)	●	●	●
Chapter 4. Digitalising the Single Market			
46 Introduce the European Business Wallet for doing business simply and digitally in the EU (Legislative proposal Q4 2025)	●	●	●
47 Roll out the EU Digital Identity Wallets across all Member States as a safe, reliable, and private means of digital identification for everyone in Europe (Q4 2026)	●	●	●
48 Revise the IMI Regulation to streamline the procedure for expanding IMI to cover new areas (Legislative proposal Q4 2026)	●	●	●
49 Digitalise declarations of conformity and certain other product documentation (Omnibus proposals together with the Strategy)	●	●	●
50 Amend EU legislation to extend the use of the Digital Product Passport as a digital container for product-related information (part of the NLF revision, Q2 2026) and ensure its technical rollout	●	●	●
51 Introduce digitalisation provisions in the revised legal framework for standardisation and public procurement (Q2 2026 and Q4 2026)	●	●	●

Legend:

Relation to services (S): ● Services related actions ● Non-service related actions ● Both (services and goods) | Relation to legislation (L): ● Legislative ● Non legislative | Owner (O): ● Commission ● Commission and member states

Action description	S	L	O
52 Revise the acquis on e-Invoicing in public procurement turning the existing Directive into a Regulation and making the EU invoicing standard mandatory for public procurement (Q4 2026)	●	●	●
Chapter 5. Enforcing respect of Single Market rules			
53 Strengthen the national SOLVIT centres and the whole Network for more efficient problem solving and better support of business cases (Q4 2025)	●	●	●
54 Systematic follow-up by the Commission and Member States on structural issues identified by SOLVIT and on barriers, where SMET efforts have not been successful (as of Q2 2025)	●	●	●
55 Present the first Annual Single Market enforcement agenda (Q1 2026, to be linked to publication of the Annual Single Market and Competitiveness Report)	●	●	●

Note: For each action the indicative deadline for implementation is provided in brackets.

Annex III – Service-related reforms included in national recovery and resilience plans

Member state	Measure	Year of completion	Description
Spain	Entry into force of the Law amending Law 34/2006 on access to the professions of lawyers and procuradores	2021	Reform of the current system of minimum fees into a system of maximum fees and new obligation to submit a cost estimate to the customer in advice for lawyers and procuradores. Allow multidisciplinary activities of the professions of lawyer and procuradores within the same legal entity and single access to the professions of lawyer and procuradores.
	Entry into force of the Law for the Regulation of certain sports professions	2023	Adoption of the Law for the Regulation of certain sports professions, in order to address challenges from regulatory heterogeneity and taking due account of the principles of necessity and proportionality.
Croatia	Simplification of at least 50 regulatory requirements for professional services	2024	Implementation of the second and third action plans for the liberalisation of services markets such as registration and membership costs of professional chambers, address fragmented exclusive rights in individual professions and professional exams (e.g. architects and engineers) or remove restrictions on tax advisors on ownership and management interests or voting rights
Italy	Entry into force of the Annual Competition Law for 2025	2025	Simplify the requirements for incorporation and registration of professional companies in regulated professions
	Regulation ordering of the professions of tourist guides.	2024	The reform aimed at simplifying the fragmented legislation towards a unique professional qualification and uniform standards at national level without the creation of a new regulated profession.
	Enabling university degrees reform	2021	Reform the university degree groups introducing a higher degree of flexibility to meet the evolving skills demand of the labour market and speed up the access to professions to meet labour market demand for technical competences better
Hungary	Simplifying the tax system by reducing the number of taxes	2023	Phasing-out of temporary tax measures. Provisions in the legislation indicating the expiration of temporary tax measures.
Austria	Amendment of the occasional transport act (Gelegenheitsverkehrsgesetz)	2021	Abolish a binding tariff for occasional transport (taximeter obligation)
Portugal	Entry into force of the law on regulated professions	2022	Separation regulation and representation functions in professional associations, reduction of the list of reserved activities (only to safeguard constitutional interest) and restrictions to ownership and management of business services firms
Slovakia	Simplification of the recognition of educational and professional qualifications	2022	Simplify the recognition of evidence of education and professional qualifications

Annex IV – Survey of PSCs on the Services Directive

Extract from the questionnaire:

No.	Question(s) / Answers (s)	
Compliance with the Services Directive		
4	Can service providers complete all administrative formalities needed for their cross-border activities through your PSC? <input type="checkbox"/> Yes <input type="checkbox"/> No	
4.1	If “Yes”, can service providers complete all formalities by electronic means? <input type="checkbox"/> Yes <input type="checkbox"/> No	
5	<p>Our PSC... <i>(multiple answers possible)</i></p> <p><input type="checkbox"/> informs service providers about the requirements in our member state.</p> <p><input type="checkbox"/> provides contact details of competent authorities, including details of responsible authorities concerning the exercise of service activities.</p> <p><input type="checkbox"/> advises on how to access public registers and databases of service providers and services.</p> <p><input type="checkbox"/> informs service providers of the means of redress in case of a dispute between the competent authorities and the service provider or the recipient, or between a service provider and a recipient, or between service providers.</p> <p><input type="checkbox"/> provides contact details of entities, other than the competent authorities, from which service providers or recipients may obtain practical assistance.</p>	
Implementation of Good practices and recommendations		
6	<p>In which EU language(s) does your PSC provide information? <i>(multiple answers possible)</i></p> <p><input type="checkbox"/> The official language(s) of the member state</p> <p><input type="checkbox"/> English</p> <p><input type="checkbox"/> Other EU official languages</p>	
8	Do you explain on your website the applicable rules and procedures for:	
	Temporary or occasional cross-border provision of services	<input type="checkbox"/> Yes <input type="checkbox"/> No
	The need for establishment of service providers in your member state	<input type="checkbox"/> Yes <input type="checkbox"/> No
10	Is the following information provided on your website?	

	Information on available legal forms and their requirements	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Information on which economic activities require licenses or permits, including for services provided temporarily or occasionally	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Information on regulated professions and required qualifications	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Information on the applicable corporate taxation, personal income tax, value-added tax, activity-specific tax, and related administrative requirements	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Explanations of specific legal and administrative terms	<input type="checkbox"/> Yes <input type="checkbox"/> No
	Explanations on the applicable rules for wages, labour law, wages, social security and specific requirements applying to the posting of workers under Directive 96/71/EC, which service providers must fulfil	<input type="checkbox"/> Yes <input type="checkbox"/> No
Others		
11	<p>Approximately, how many requests for information/assistance do you receive annually from businesses established in another member state, in relation to activities covered by the Services Directive?</p> <p><input type="checkbox"/> 0-10</p> <p><input type="checkbox"/> More than 10 but less than 50</p> <p><input type="checkbox"/> 50 or more</p> <p><input type="checkbox"/> We do not have such information.</p>	
14	<p>Can service providers from other member states complete procedures online by using the electronic identification means established in their country?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	
15	<p>Is your PSC accessible via the European Single Digital Gateway?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>	

Annex V – Results of the survey of PSCs

C Member state with centralised PSC ● Yes
 DC Member state with decentralised PSCs ○ No

Member state	PSC (type)	Replies (Nr.)	Services Directive compliance	Good practices recommendations implementation	Single digital gateway access	Electronic identity card acceptance
Belgium	DC	2	2	2	1	2
Bulgaria	C	Yes				
Czechia	DC	4	2	4	3	3
Denmark	C	Yes				
Germany	DC	31	29	28	8	24
Estonia	C	Yes				
Ireland	C	Yes				
Greece	C	Yes				
Spain	DC	1				
France	C	Yes				
Croatia	C	Yes				
Italy	DC	104	94	104	33	16
Cyprus	C	Yes				
Latvia	DC	1				
Lithuania	C	Yes				
Luxembourg	C	Yes				
Hungary	C	Yes				
Malta	C	Yes				
Netherlands	DC	1				
Austria	DC	5	1			1
Poland	C	Yes				
Portugal	DC	1				
Romania	C	Yes				
Slovenia	DC	1				
Slovakia	DC	4	3	4		3
Finland	C	Yes				
Sweden	C	Yes				

PSCs were considered to not fully comply with the Service Directive, if the reply to question 4 and/or 4.1 was “no” and/or not all services listed under question 5 had been provided. PSCs were considered not to have fully implemented the good practices and recommendations, if “English” was not ticked (question 6) and/or any reply to question 8 and 10 was “no”. See [Annex IV](#) for further details on the questions. For MSs with DC, the numbers indicate the PSCs not complying/implementing/giving access/accepting.

Abbreviations

Abbreviation	Definition/Explanation
CSR	Country-specific recommendation
EEA	European Economic Area
GDP	Gross domestic product
IMI	Internal Market Information System
KPI	Key performance indicator
OECD	Organisation for Economic Co-operation and Development
PSC	Point of single contact
RRF	Recovery and Resilience Facility
RRP	National recovery and resilience plan
SME	Small and medium-sized enterprises
SMET	Single Market Enforcement Task force
STRI	Services Trade Restrictiveness Index
TFEU	Treaty on the Functioning of the European Union

Glossary

Term	Definition/Explanation
Country-specific recommendation	Annual guidance which the Commission issues, as part of the European Semester, to individual member states on their macroeconomic, budgetary and structural policies.
EU Pilot dialogue	Mechanism for addressing suspected non-compliance with EU law through informal dialogue between the Commission and the member state concerned.
European Semester	Annual cycle which provides a framework for coordinating the economic policies of EU member states and monitoring progress.
Infringement procedure	Procedure whereby the Commission takes action, in various stages, against any EU member state that fails to meet its obligations under EU law.
Posted worker	Person sent by their employer to work temporarily in a member state other than the one in which they are usually employed.
Recovery and Resilience Facility	The EU's financial support mechanism to mitigate the economic and social impact of the COVID-19 pandemic and stimulate recovery, and to meet the challenges of a greener and more digital future.
SOLVIT	Informal, online network of national bodies which helps find out-of-court solutions in cases where consumers or businesses believe the EU's single-market rules have been applied incorrectly.

Replies of the Commission

<https://www.eca.europa.eu/en/publications/SR-2026-13>

Timeline

<https://www.eca.europa.eu/en/publications/SR-2026-13>

Audit team

The ECA's special reports set out the results of its audits of EU policies and programmes, or of management-related topics from specific budgetary areas. The ECA selects and designs these audit tasks to be of maximum impact by considering the risks to performance or compliance, the level of income or spending involved, forthcoming developments and political and public interest.

This performance audit was carried out by Audit Chamber IV – Regulation of markets and competitive economy, headed by ECA Member Petri Sarvamaa. The audit was led by ECA Member Hans Lindblad, supported by Kristina Maksinen, Head of Private Office, and Johanna Modigsson, Private Office Attaché; John Sweeney, Principal Manager; Sven Kölling, Head of Task; Radostina Simeonova, Emmanuel Djoffon, Elena Graziuso, Armin Hosp, Vaidas Sulcas and Zsuzsanna Csàk, Auditors; Carlotta Gisonni, trainee. Dunja Weibel provided graphical support.



From left to right: Elena Graziuso, Carlotta Gisonni, Vaidas Sulcas, Armin Hosp, Hans Lindblad, Emmanuel Djoffon, Sven Kölling, Johanna Modigsson, John Sweeney.

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Businesses still face considerable barriers when providing services in another EU member state. Focusing on the EU Services Directive, this audit assessed whether the Commission was effective in removing barriers to cross-border services hindering economic growth and development in the EU. We found that Commission action in this field remains insufficient.

We recommend that the Commission develop a clearer and more ambitious strategy for the single market for services, use the European Semester more actively and better incentivise member states to carry out necessary reforms, it should clarify legislation, focus enforcement of infringements of rules on cases with considerable impact, reinforce tools facilitating cross-border services, and monitor and evaluate progress in completing the single market for services.

ECA special report pursuant to Article 287(4), second subparagraph, TFEU.



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