



Press Release

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Services Directive: “European Commission must be bolder”, say EU Auditors

The European Commission should be bolder in its support for EU businesses and consumers, who are still not able to buy or sell services across borders as readily as they should be, according to a new report from the European Court of Auditors. While the single market for goods is well-developed, the services market is still widely recognised as not having achieved its full potential. The Services Directive should have increased transparency and made it easier for businesses and consumers to buy and sell. But some years after the deadline for implementation, barriers still remain.

The Services Directive covers activities which contribute about 46% of EU GDP and should have eliminated obstacles for cross-border trade in services. The deadline for transposition of the Directive was set for 2009, but according to a Commission report from 2013, Europe is still falling short of its ambitions to fully liberalise trade in this area.

“The European Commission is not looking after the interests of Europe’s consumers or service providers as well as it should,” said Neven Mates, the Member of the European Court of Auditors responsible for the report. “It is reluctant to pursue legal proceedings, partly due to the length of the judicial procedure, but also due to lack of confidence in the legislation”.

The auditors visited seven Member States: Portugal, the Netherlands, France, the United Kingdom, Austria, Germany and Slovakia. They found that:

- The Commission had assisted and monitored the transposition of the Directive into national legislation, but most Member States had not transposed it on time despite the “three-year” deadline
- The mutual evaluations exercise and performance checks had shown that a significant number of obstacles persisted. This had led to further legislative proposals, but the Commission could have used the results better
- Country Specific Recommendations had had limited success
- The Commission and Member States had not started to compile statistics on trade in services covered by the Directive

The purpose of this press release is to give the main messages of the special report adopted by the European Court of Auditors. The full report is on www.eca.europa.eu

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- Points of Single Contact had been delayed in being set up and were of mixed quality across Member States. Information was still difficult to find and business awareness remained low
- Measures such as SOLVIT and EU Pilot did not provide the speedy results required by businesses and services recipients
- The absence of transparency in EU Pilot procedures for addressing Services Directive issues was unhelpful for establishing common legal practice and public awareness in this area, as was the practice of not publishing reasoned opinions after the completion of infringement procedures.
- The Commission had used infringement procedures sparingly and had referred only one case to the European Court of Justice

According to the data provided by the Commission, the average duration of the infringement cases related to the Directive was 19.6 months.

For one case, say the auditors, it took the Commission 16 months to send the administrative letter to the Member State after identifying the problem and another six months to launch the EU Pilot case. In another Member State, it took the Commission almost 20 months from receiving a complaint to starting the EU Pilot.

Recommendations

The auditors say the Commission should be bolder in enforcing the Service Directive by following up results from exercises such as the mutual evaluation and performance checks in order to resolve non-compliance and, along with Member States, addressing the most economically significant issues.

The results of EU Pilot procedures applied to the Services Directive should be made available to the public.

The Commission should start EU Pilot cases as soon as possible once an issue has been identified, and information on resolutions should be shared. It is also crucial to reduce the length of infringement procedures and refer important issues to the Court of Justice.

In addition, the Commission should draft guidance for transposition in parallel with legislation and ensure that the issue of data needed for assessing the impact is addressed early in the legislative procedure.

Member States should observe the Points of Single Contact Charter by making information available in multiple languages and enabling completion of all administrative steps necessary for provision of services across borders.

Note to Editors

Special Report No 5/2016 “Has the Commission ensured effective implementation of the Services Directive?” is available in 23 EU languages.

