

## The Services Passport: A Czech Perspective

Ministry of Industry and Trade of the Czech Republic, February 2016

*This suggested solution covers the very first phase of the SP implementation and application. Based on its results, further elaboration of the SP for specific sectors could be considered.*

### BASIC PRINCIPLES

- The SP should be a tool that meets services providers' needs and brings effective simplification of cross-border provision of services and freedom of establishment;
- The SP must not constitute any additional administrative burden (i.e. it should be voluntary and its use should not change the current practice of ad hoc ex post controls);
- The SP should work within an already existing platform - ideally the IMI System;
- The SP should be available for both regimes - cross-border provision of services and establishment;
- The procedure to obtain the SP should be fully electronic, i.e. services providers should have the possibility to send scanned documents to a contact point which should be able to verify their authenticity and accuracy (through the IMI System or, when it is not possible, by contacting the competent (issuing) authority directly by e-mail) and to "issue/approve" the SP file. However, this solution envisages creation of a physical contact point that would ensure (electronic) cooperation between competent authorities and issue/approval of the SP.
- To assure the protection of personal data – information contained in the SP should not be automatically available to authorities of the host Member State. Relevant information should be provided to competent authorities only upon request and within their legal competences and shall not lead to an ex ante control (see above). The IMI System again offers a practical solution here.

### FORM

**The SP would consist of 2 parts - a mandatory and a voluntary one. As a result, the SP could be applied to all services sectors at once and, at least in the first stage of the SP application, no discussion about priority sectors would be necessary.**

- FIX PART:
  - **primary establishment** (registration, legal form, establishment date, formalities/ requirements that have been completed within the authorization scheme)
  - **tax liability** (tax registration number + reference to the competent authority in the Member State of establishment - the competent authority of the host Member State should be able to directly contact the competent authority of the Member State of establishment and to verify the information provided)
  - **social security** (social security number + reference to the competent authority in the Member State of establishment)

- **health insurance** (health insurance number + reference to the competent health insurance company in the Member State of establishment)
- **criminal liability** (criminal record)
- **professional indemnity insurance** if obligatory in the Member State of establishment (insurance number + reference to the insurance company)

➤ FLEXIBLE PART

This part would contain additional data depending on the type of activity, requirements that have to be completed in the host Member State(s):

- European Professional Card
- voluntary certification (ISO)
- voluntary registration at a professional association
- additional requirements
- data concerning employees (for the purpose of posting of workers)
- E-101/A1 statement
- etc.

FUNCTIONING

**The mandatory part** of the SP should be administrated by a **contact point**.<sup>1</sup> The SP request should be sent to the contact point that would create a draft of the electronic SP file in the IMI System. After verification of the data contained in this part of the SP, the contact point should approve the electronic file in the IMI and thus issue the SP. Any changes in this part of the SP should always be approved (verified) by the contact point.

The range and exact types of documents that would be stored within **the voluntary part** of the SP should be determined by the services providers themselves. This part should be a mere repository of documents and it should be fully administrated by the provider depending on the requirements that have to be completed in the host Member State in concrete circumstances (cross-border provision of services / secondary establishment, specific requirements applicable to specific sectors, etc.). This way, the move from host Member state A to host Member state B should also be a bit easier (see below).

ADDED VALUE

The documents contained in **the mandatory part** would be already verified by the competent authorities of the Member State of establishment and their authenticity or fulfillment of the respective requirement should not be questioned by any authority in the host Member State. However, in case of any doubts the documents could be verified through the IMI System, since the contact details of the issuing authorities would be included.

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<sup>1</sup> In the particular case of the Czech Republic, the physical Points of Single Contacts (through an electronic gateway or personally in their offices) are suitable candidates to administrate the SP. However, this does not necessarily have to be prescribed as administrations of Member States could decide which national or local authorities should best be responsible for this task.

**The voluntary part** is basically meant to be a repository of documents. However, its use could also simplify cross-border provision of services or secondary establishment. Providers could for example send their SP to the Point of Single Contact of the host Member State and ask what kind of documents/ requirements have to be provided beyond the documents already contained in the SP. *(This should be possible even now, so it does not create a new obligation to the PSC; it only simplifies the current communication with the PSC.)*

#### ADVANTAGES

**The SP in the proposed form could be implemented in all services sectors** and it would not be necessary to identify all relevant requirements in all Member States and to create a special passport tailored to each services sector or each Member States.

Any **additional tool that would be applicable to a specific sector** would be a kind of upgrade of the proposed “basic version” and could be realized in a second stage.

The proposed form of the SP **would make use of the already existing IMI System**. It does not require any new time and money consuming technical solution.

**No distinction between administrative and regulatory requirements is necessary**. The SP basic version would contain only verified mandatory information, any additional documents would be provided voluntarily depending on the specific sector and circumstances.

The SP file in the IMI System would not be automatically public, so protection of personal data can be guaranteed. All data is **available only upon request of a competent authority** of the host Member State and within its legal competences.

#### FOR FURTHER DISCUSSION

- Potential administrative costs
- To whom shall the SP data be accessible?
  - directly to the competent/ surveillance authorities (which might potentially lead to problems with the realization due to a huge amount of the authorities that have to be connected to the IMI System), or
  - only to the contact points (which means that the competent/ surveillance authorities should request relevant information via the contact point in their Member State).
- Which additional functions beyond verifying the data included in the mandatory part could be provided?  
(For example if a provider wants to set up a branch in another Member State he/she provides his/her SP to the PSC of the host Member State and asks which additional requirements have to be fulfilled.)