

Services passport must lead to true simplification

20th April 2016, Brussels: Services account for a major part of EU GDP. However, a vast majority of them is provided on domestic markets. The growth potential of cross-border provision of services is huge, but there are significant obstacles that prevent it. Therefore, the European Commission wants to create a new instrument – the so-called services passport that should help services providers go cross-border and reduce unnecessary burden. The services passport was discussed by representatives of EU institutions, permanent representations and business organizations on 19th April in Brussels.



The services passport is one of the initiatives of the Single Market Strategy presented by the European Commission in October 2015. According to **Jürgen Tiedje**, Head of the Service Policy for Consumers Unit at DG GROW of the European Commission, service providers that want to go cross-border still face significant barriers, including complex and costly administrative procedures. *The services passport should be a single electronic procedure involving the service provider and the authorities of the home and host Member States. The idea is that the service provider would have a single interlocutor in the home country, who in turn communicates with the host country. Documents should be submitted only once. Such a system must build on information and trust*, concludes Tiedje. The Commission is also looking into the regulatory environment and whether it is fit for purpose to allow for more cross-border trade and investments, since administrative simplification alone may not be enough at the end. Finally, professional indemnity insurance is a key topic under consideration. The Commission will launch a public consultation on the above issues in the near future (hopefully in the last week of April) and encourages all stakeholders to participate. The consultation will be important to determine the issues and sectors to be covered by future action. As far as the regulatory environment is concerned, the current aim is to focus on selected key services sectors such as business services and construction.

Jakub Dürr, Deputy Permanent Representative of Permanent Representation of the Czech Republic to the EU underlined that the services passport should be a tool that is effective and brings real simplification for companies while ensuring protection of personal data. In addition, it should not lead to any ex ante controls. **Jan Havlík**, Director of European Affairs and Internal Market Department of the Ministry of Industry and Trade of the Czech Republic said that we need instruments like services passport because the internal market is far from being perfect. *There are several basic principles that the passport should respect: it should lead to true simplification, be voluntary, fully electronic, not increasing administrative burden and should be applicable both for establishment and cross-border provision of services*, added Havlík. Ideally, the passport should have a fixed part informing mainly about primary establishment, tax liability, social security, health insurance and flexible part consisting of data about voluntary certification or membership of professional associations.



According to Policy Director of EUROCHAMBRES **Ben Butters** the passport must have broad scope, be robust, wide-ranging and covering also temporary services providers. Most importantly, the passport has to be effective. *Bilateral services passports are already in place and some of them make things even more complicated*, Butters warned. **Jeroen**

Hardenbol, Senior Advisor for Services of BUSINESSEUROPE agreed that services passport - if well-designed - should enable to skip certain processes for companies already done in home Member State. *‘It should also lead to regulatory simplification and streamlining as public authorities become more aware of each other’s procedures and follow best practices. It is essential that relevant stakeholders and companies in the construction and business services sectors are directly involved in its design to ensure that the passport meets business’ needs’*, Hardenbol concluded.

Presentations from the debate can be downloaded [here](#).

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