

# Annexe A. Cross-border services in the European Union

## The Services Directive

### *History*

The Services Directive (2006/123/EC) is part of the process of economic reform launched by the Lisbon strategy in 2000, aiming to make Europe the world's most competitive knowledge-based economy by 2010. It was first proposed in 2004 under the leadership of the former European Commissioner for the Internal Market Frits Bolkestein. It followed a process of revision and was eventually approved and adopted by the Council and European Parliament on 12 December 2006. The Services Directive was to be completely implemented by the Member States by 28 December 2009.

### *Objectives*

The Lisbon Strategy required a reinvigorated push towards the completion of the internal market. Continuous growth of the service sector was contributing to increase the awareness of the untapped potential that liberalising services would bring in terms of employment and overall economic growth. A 2002 report of the Commission on the state of the internal market for services revealed over ninety obstacles to the internal market in services, resulting in considerable costs for companies, particularly small and medium-sized enterprises (SMEs) engaged in cross-border service activities. Service users, in particular consumers, were also found to be affected by the internal market barriers through their impact on prices. The directive was designed to eliminate several burdensome legal obstacles with the aim to foster cross-border economic activity and competition. More specifically, the directive set out a legal framework that would facilitate the following:

- For businesses:
  - Eliminate the obstacles to the freedom of establishment for service providers
  - Remove the barriers to temporary service provision in other member states
  - Simplify procedures and formalities for establishment in another member state
- For consumers:
  - Strengthen rights of consumers and businesses receiving services
  - Enhance information and transparency on service providers
  - Widen choice and strengthen competition leading to lower prices

## The Points of Single Contact

One of the pillars of the Directive was for Member States to establish Points of Single Contact (PSCs) by the end of 2009. The PSCs are e-government portals providing information on legal and administrative requirements and access to electronic procedures to complete necessary formalities online. Instead of interacting with different national public authorities, PSCs allow users to obtain all the necessary

information and to complete the whole procedure online. They act as an online interface between the business and the government and are part of the Member States' eGovernment agendas. The full implementation of the PSCs has so far proved to be a challenge. To make the PSCs more responsive to the businesses' needs, the Commission and the Member States agreed on a *PSC Charter* in 2013, setting out four standard criteria for improving and benchmarking the PSCs – i.e. quality and availability of information, transactionality of e-procedures, accessibility for cross-border users, and usability.

- A key assessment of the PSCs was undertaken in 2012, when the Commission conducted an extensive study which revealed that most Member States were still struggling to comply with all requirements of the Services Directive.
- Another similar assessment carried out in 2015 highlighted the persistence of significant space for improvement, with an average accessibility score of the PSCs of 54% and some elements clearly underperforming such as *Accessibility for cross-border Users* (41%). On the other hand, the best performing PSC features were *Usability and transactionality of e-procedures* (61%) followed by *Quality and availability of information* (57%).

The PSC Charter also specified that the 2015 assessment would not constitute a final deadline but rather a target date for making further progress towards more comprehensive and user-friendly PSCs. Given the considerable scope for improvement, the Commission will continue to assess PSCs on a regular basis thereafter, at sufficiently long intervals to allow for the inclusion of additional enhancements.

The assessment of the PSCs carried out in 2017 and reflected in the Single Market Scoreboard shows that some of them are performing reasonably well (European Commission, 2019<sup>[1]</sup>). Although Member States have improved the availability of procedures that are at least partially online, access from other Member States continues to be a considerable problem, in particular the use of e-signature and e-ID. In addition, only one third of PSCs provide sufficiently detailed information about procedures.

In addition to the monitoring to be carried out by the Commission, the PSC Charter also invites Member States to closely follow the performance of their electronic Points of Single Contact and to test them against the actual business needs as much as possible.

## The single digital gateway

On 2 October 2018, the European Parliament and the Council adopted a Regulation establishing a single digital gateway. This project effectively builds on the existing capacity of PSCs and constitutes a further step in the consolidation of the Single Market for services.

The single digital gateway will become the online access point for EU citizens and business in need of information to get active in any EU Member State. It will be known and promoted to citizens and businesses as “Your Europe”. It will provide reliable and verified search results about rules, rights, procedures and high-quality assistance services. In addition, users will be able to perform a number of these procedures fully online and enjoy the benefits of the once-only principle.

- By the end of 2020, citizens and companies moving across EU borders will easily be able to find out what rules and assistance services apply in their new residency
- By the end of 2023 at the latest, they will be able to perform a number of key procedures in all EU member states without any physical paperwork, like registering a car or claiming pension benefits.

Within the single digital gateway, Points of Single Contact are listed among assistance services that have been established by the Union law and therefore should be part of the gateway from its launch, such as EURES.

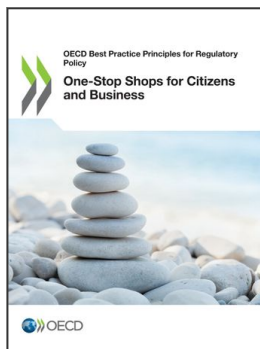
- The European Network of Employment Services (EURES) is a European Cooperation Network formed by public employment services. Trade unions and employers-organisations also participate as partners. The objective of the EURES network is to facilitate the free movement of workers within the European Economic Area (EEA) and Switzerland. On EURES website, employees have the option of looking for a job and employers can advertise vacancies on the EURES-website.

Other assistance and problem-solving services offered by the Commission, Member States or private entities can join the gateway provided that they fulfil the criteria laid down in the regulation. It is expected that users will get, through the gateway, easy access to the following services:

- The European Consumer Centres Network (ECC-Net) is a network of consumer centres in the EU, Iceland and Norway, which provides information on consumer rights and assists in resolving disputes where the consumer and trader involved are based in two different European countries.
- The Enterprise Europe Network (EEN) helps businesses to innovate and grow on an international scale. It is the world's largest support network for small and medium-sized enterprises (SMEs) with international ambitions. The Network is active in more than 60 countries worldwide bringing together 3 000 experts from more than 600 member organisations. Member organisations include technology poles, innovation support organisations, universities and research institutes, regional development organisations and chambers of commerce and industry.

## Reference

European Commission (2019), *Single Market Scoreboard: Performance per Governance Tool - Points of Single Contact*, [1]  
[https://ec.europa.eu/internal\\_market/scoreboard/performance\\_by\\_governance\\_tool/points\\_of\\_single\\_contact/index\\_en.htm](https://ec.europa.eu/internal_market/scoreboard/performance_by_governance_tool/points_of_single_contact/index_en.htm).



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