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from: Secretary-General of the European Commission,  
signed by Mr Jordi AYET PUIGARNAU, Director

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to: Mr Uwe CORSEPIUS, Secretary-General of the Council of the European  
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the Regions  
Better Governance for the Single Market

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**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN  
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL  
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**BETTER GOVERNANCE FOR THE SINGLE MARKET**

## BETTER GOVERNANCE FOR THE SINGLE MARKET

### INTRODUCTION

The crisis has shown that the EU needs to act to improve its economic model and restore competitiveness. This requires a mix of sound public finances, deep structural reforms and targeted investment. Europe 2020 is the EU's strategy to boost sustainable growth and the creation of jobs and the Single Market has a key role to play in this.

The Single Market is a key driver for economic growth. However, to reap the benefits it brings, its rules must be properly implemented and enforced. Whilst the Commission has been working in partnership with Member States to this end, the situation today demonstrates that there is much room for improvement. The average transposition deficit has risen again from 0,7 in 2009 to 1,2% in February 2012, and Member States are taking an ever longer time (8 months on average) to transpose Directives after the transposition deadline has lapsed. The duration of infringement procedures has further increased to 25,5 months on average.<sup>1</sup> And even where rules are correctly transposed, they often do not work well in practice. Businesses and citizens often do not understand their rights and encounter many difficulties when trying to exercise them.<sup>2</sup>

**Making what we have, work better in practice is a "quick win" for growth and jobs.** For instance, a better implementation of the Services Directive could deliver up to an estimated additional 1.8% of EU GDP, as shown in a Communication adopted today by the Commission.<sup>3</sup> And it has been calculated that a more efficient transposition of EU legislation could reduce administrative burdens by one third, leading to an overall cost saving of nearly 40 billion euro.<sup>4</sup>

The March 2012 European Council recognised the need to strengthen the governance of the Single Market and to improve its implementation and enforcement. Similar calls have been made by the European Parliament.<sup>5</sup> In response, this Communication calls for **a renewed commitment to make the Single Market effectively deliver for growth.** In particular, it proposes:

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<sup>1</sup> Commission staff working document "Making the Single Market Deliver - Annual Governance Check-up 2011", SWD(2012) 25 final, 24.2.2012.

<sup>2</sup> See for instance the Commission staff working paper "The Single Market through the lens of the people: A snapshot of citizens' and businesses' 20 main concerns", SEC(2011) 1003 final, 16.8.2011.

<sup>3</sup> Communication on the implementation of the Services Directive: A partnership for new growth in services 2012-2015, COM(2012)261

<sup>4</sup> Report from the High Level Group of Independent Stakeholders on Administrative Burdens, 15 November 2011.

<sup>5</sup> European Parliament Resolution of 6 April 2011 on governance and partnership in the Single Market (2010/2289 INI) and European Parliament Resolution of 20 May 2010 on delivering a Single Market to consumers and citizens (2010/2011 INI).

- a particularly ambitious course of action to make swift progress in key areas with the greatest growth potential (Part I);
- concrete measures to further improve the Single Market 'governance cycle', i.e., the way Single Market rules are designed, implemented, applied and enforced (Part II).

## **1. MOBILISATION: FOCUS OUR EFFORTS TO MARK SWIFT PROGRESS IN AREAS WITH MOST GROWTH POTENTIAL**

### **1.1. Focus on key areas**

In the current times of economic crisis, there is a need to focus scarce resources on what matters most: taking the steps needed to unlock the Single Market's full growth potential in areas where such potential is the greatest. Whilst continuing to closely monitor and enforce compliance with Treaty rules, the Commission has therefore decided to **set and review 'key areas' on a regular basis, based on economic indicators**. Member States and the Commission should agree on concrete actions and targets to quickly improve the way the Single Market functions in these areas.

Based on an analysis of today's European economy, attention in 2012-2013 should, in the Commission's view, focus on **key services sectors and the network industries**. Within the services sector, particular attention should be given to wholesale and retail trade, business services, construction and financial intermediation services. Further, much could be gained from a better functioning digital Single Market and a stronger Single Market in the energy and transport sector. The Annex to this Communication sets out in detail how these key areas have been selected and which legislative acts should receive special attention in these areas. The list of areas and pieces of legislation will be reviewed on a regular basis, with a view to defining possible adjustments.

In addition, swift delivery on the key actions to boost growth and consumer and business confidence included in the Single Market Act should also be considered a priority, in particular in light of their horizontal benefit to a better functioning Single Market and their potential contribution to growth.

To make swift progress in these key areas, special efforts are needed to ensure that rules are properly implemented (point 1.2). In addition, the Commission will make use of the European semester process to monitor how the Single Market functions in these areas and define new actions, at both EU and national level (point 1.3).

### **1.2. Set ambitious targets to ensure proper implementation**

In recent years, important pieces of legislation have been adopted in the aforementioned key areas (see Annex). We must now concentrate on making them work in practice. To this end, the Commission and Member States should join forces to ensure a **swift transposition and effective implementation of rules**.

For Directives that are yet to be transposed, the Commission will enhance its transposition assistance. For instance, it will engage in informal contacts with national officials on a bilateral basis and set up expert groups and provide on-line fora to discuss and exchange best practices amongst national experts, as early as possible in the

transposition process. It will conduct systematic conformity checks and will take supportive measures to make rules work in practice across the Member States.

Member States should:

- informally submit to the Commission specific aspects of draft transposition measures, where they or the Commission consider it appropriate, in order to make the Commission's assistance as effective as possible during the transposition period and to secure rapid implementation;
- commit to 'zero tolerance' when it comes to transposition of directives, i.e. respecting a transposition deficit target<sup>6</sup> and a conformity deficit target<sup>7</sup> of 0%;
- provide an on-line explanation of how they have transposed rules and how these rules work in practice.<sup>8</sup>

As regards Regulations, the Commission will also step up efforts to secure proper implementation. In addition, for legislation that has been transposed and implemented for some time, the Commission will conduct in-depth reviews to see how rules are implemented and work in practice, not only in legal but also in practical and economic terms. In this context, it may propose peer review exercises.

Where problems persist, the Commission will use its **enforcement powers with the utmost vigour** and calls on Member States to co-operate with it to ensure that breaches of EU law are swiftly brought to an end. In particular Member States should undertake to:

- engage actively in the process and rapidly provide information with a view to ensuring quick compliance to allow the duration of infringement procedures in key areas to be reduced to a political target of 18 months on average;<sup>9</sup>
- secure swift compliance with reasoned opinions so as to guarantee the effective functioning of the Single Market without the need to bring the case before the Court of Justice;
- speed up the process for complying with judgments of the Court of Justice. The political ambition should be to achieve full compliance within 12 months on average.<sup>10</sup>

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<sup>6</sup> The transposition deficit measures the number of Directives which have not been transposed in time.

<sup>7</sup> The conformity deficit measures the number of Directives against which infringement proceedings for non-conformity are opened.

<sup>8</sup> Given their importance for growth, the Commission considers that for new pieces of legislation included in the Annex, Member States should accept to go beyond the agreement reflected in the Joint Political Declaration of 28 September 2011 on explanatory documents (2011/C 369/02).

<sup>9</sup> Calculated from the date on which the Commission sends a letter of formal notice to the completion of the pre-litigation phase.

<sup>10</sup> Taking account of the fact that, in some complex cases, a longer implementation period may be justified (see Case C-278/01, Commission v. Spain, 25 November 2003, in particular paras 43 ff.).

### 1.3. Monitor and define remedial action in the European semester process

Given the key role the Single Market plays in boosting sustainable growth and creating jobs, the Commission proposes to make use of the European semester process to monitor the functioning of the Single Market, develop enhanced peer pressure at the level of Heads of State or Government and present actions to fight remaining obstacles, at both European and national level.

To this end, the Commission will prepare an **Annual report on the integration of the Single Market**. This report will present an analysis of the state of Single Market integration and look at the way the Single Market functions in practice, in particular in key areas and for key market actors, including businesses and consumers. To the maximum extent, it will measure how well the Single Market functions in these areas by making use of concrete benchmarks.

On this basis, the Commission will identify the main policy challenges and set priorities for action for the coming year at both EU and national level. Actions may include both legislative and non-legislative initiatives. A particular attention will be given to minimizing burdens for SMEs.<sup>11</sup> Where necessary, assessments will go beyond existing rules with the view to exploiting the full potential of the Single Market, in particular by promoting best practices.

The Annual Report will be part of the Annual Growth Survey, so as to be discussed by the Council and the European Parliament and be endorsed by the Spring European Council. The Annual report will contribute to the definition of **country-specific recommendations**, which will be based on a more in-depth analysis of performance in each Member State, in the context of the European semester process.

To unlock the Single Market's full growth potential, Member States and the Commission must undertake to make swift progress in areas with most growth potential. The Annex defines these key areas and lists legislative acts belonging to these areas requiring special attention.

The Commission will:

- Undertake concrete action to help ensure a timely, correct and efficient implementation of EU rules in these key areas;
- Prepare an Annual report on the integration of the Single Market, to monitor how the Single Market functions in practice and to identify further action at EU and national level;
- Regularly review the list of key areas and legislative acts with a view to defining possible adjustments.

For key legislative acts belonging to the growth-potential areas, Member States should commit to:

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<sup>11</sup> Cf., Report from the Commission to the Council and the European Parliament "Minimizing regulatory burden for SMEs - Adapting EU regulation to the needs of micro-enterprises", COM(2011) 803 final, 23.11.2011.

- Meet transposition deadlines and transpose legislation correctly (0% transposition and conformity deficit);
- Informally submit specific issues relating to draft transposition measures to the Commission and provide on-line explanations of how they have transposed rules and how these rules work in practice, once transposition measures are adopted;
- Undertake all efforts to ensure swift compliance, reducing accordingly the duration of infringement procedures to a political target of 18 months on average and the time for full compliance with Court of Justice judgments to a political target of 12 months on average.

The Commission intends to measure compliance with these commitments on a regular basis.

## **2. EFFECTIVENESS: MAKE THE SINGLE MARKET WORK BETTER FOR BUSINESSES AND CITIZENS**

The Single Market has considerably evolved over the last 20 years. The way it is governed must keep pace with this evolution. In recent years, important steps have been taken to improve the way rules are made, transposed, implemented and enforced, at both EU and national level.<sup>12</sup> It is now time to consolidate and mainstream best practice, with a view to ensuring that Single Market rules effectively work throughout the European Union:

### **2.1. Apply smart regulation principles when making and implementing Single Market rules**

For the Single Market to work in practice, its legal framework should be of the highest quality at both EU and national level. In particular, rules should be made, transposed and implemented in such a manner that they effectively 'work' for those for whom they are intended. It is therefore of crucial importance that all EU institutions and Member States comply with existing recommendations to achieve smart regulation<sup>13</sup> and to keep the level of administrative burdens, in particular on SMEs and micro-entities, to the minimum level, in accordance with the 'Think Small' principle.<sup>14</sup>

In particular, before adopting rules at the EU level, relevant authorities should check whether draft rules meet at least the following requirements: (i) rules must be clear, easy to understand and unambiguous; (ii) rules must achieve their intended effect without causing unnecessary burdens on businesses, citizens or administrations (no 'goldplating'); (iii) where businesses and citizens need to comply with procedures, they should be able to do so swiftly and via electronic means; (iv) rules should guarantee that businesses and

<sup>12</sup> See Commission Recommendation of 29 June 2009 on measures to improve the functioning of the Single Market (2009/524/EC) and the Communication "Single Market Act - Twelve levers to boost growth and strengthen confidence: Working together to create new growth", COM(2011) 206 final, 14.4.2011.

<sup>13</sup> See the Communication "Smart Regulation in the European Union", COM(2010) 543 final, 8.10.2010, and the Inter-Institutional Agreement on better law-making (2003/C 321/01).

<sup>14</sup> Cf., Report "Minimizing regulatory burden for SMEs - Adapting EU regulation to the needs of micro-enterprises", *supra*.

citizens find information and help and have access to fast and effective redress where needed.

To achieve compliance with these principles, stakeholders should be involved to the maximum extent at all stages of law making and implementation. Best practices developed in some areas<sup>15</sup> should, to this end, be further mainstreamed.

The Commission for its part will ensure that all proposals for Single Market legislation are operable and enforceable, at minimum administrative cost. Where appropriate, it will propose Regulations instead of Directives, notably where there is no need for further discretion when implementing the proposed EU rules. The Council and Parliament should also ensure a full compliance with the aforementioned principles, in their daily work as co-legislators.

Once EU legislation is adopted, it falls on Member States to ensure that domestic implementation measures are in line with aforementioned smart regulation principles.

## **2.2. Make smarter use of IT-tools to inform businesses and citizens and enable them to make use of their rights and opportunities**

For the Single Market to work in practice, businesses and citizens need to know their rights and opportunities and be able to make an effective use of them. In recent years, various tools and systems have been developed to address these needs, but more can be achieved, by further building on what exists, making a smarter use of IT technology and better connecting initiatives at the national and EU level.

The Commission will further work to ensure that practical information and help on Single Market rights is accessible via a single gateway, i.e., the Your Europe portal. Member States should also step up efforts to **provide user-friendly information on how rules work in practice** within their territories and co-operate with the Commission to ensure interoperability between national and EU-level information. The Commission will, in 2013, present an Action Plan setting out concrete steps and targets to complete the provision of good-quality information on Single Market rights and enhance awareness about them, at national and EU level.

Further, **e-government procedures** should be available whenever businesses and citizens must complete administrative formalities to make use of their Single Market rights, in particular in a cross-border context.<sup>16</sup>

Finally, where **administrations need to co-operate** with each other in a cross-border context, such co-operation should be facilitated by on-line tools such as, among others, the Internal Market Information system, which the Commission intends to expand to other areas. The new IMI Regulation, which the Commission hopes the European Parliament and Council will adopt very soon, will greatly contribute to administrative cooperation in full compliance with rules on the protection of personal data.<sup>17</sup>

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<sup>15</sup> E.g., the Citizen's energy forum.

<sup>16</sup> To this end, Member States should further develop the Single Points of Contact, cf., the Services Implementation report adopted today.

<sup>17</sup> Cf., Proposal for a Regulation of the European Parliament and of the Council on administrative co-operation through the internal market information system, COM(2011) 522.



Systematic obligations to inform and make use of IT tools when communicating with or between authorities should be foreseen in all new legislation as of January 2013.

At the same time and with a view to keep resource costs at bay, the Commission will work on a coherent strategy to further develop existing tools so that they can address all information, e-government and administrative cooperation needs in multiple policy areas, without creating duplications.<sup>18</sup> It will also continue to foster an exchange of best practice in this area and monitor progress.

### **2.3. Ensure fast and effective problem-solving and redress**

Too many problems businesses and citizens encounter in the Single Market remain unresolved, or are resolved only at the expense of much time and cost. To make Single Market law enforcement more effective, there is a need to further develop and strengthen existing mechanisms and achieve better synergies between them. Steps should be taken to ensure that problems can effectively be resolved at the national level and, where possible, via informal means. At the same time, citizens and businesses always have the right to turn with complaints to the Commission. As Guardian of the Treaties, the Commission will prioritise the most serious cases of non-compliance with EU law.

To make enforcement more effective and better respond to the needs of businesses and citizens, the Commission envisages, in particular, the following measures:

First, there should be **one, easily accessible and first-line help service at the national level** that businesses and citizens can turn to when encountering problems in trying to make use of the rights and opportunities offered by the Single Market. Such help service could be built by further developing the existing SOLVIT centres, on the basis of good practice already developed in various Member States. Businesses and citizens coming to such help service ('second-generation SOLVIT centres') should be able to either obtain a quick and informal solution to their problem or, where such is not possible, a fast advice on where to turn to for help and redress. To this effect, the Commission will take an initiative to modernise the Recommendation governing SOLVIT by the end of 2012 and will take supportive action.<sup>19</sup> It will also seek to further enhance its co-operation with the SOLVIT network, for instance by passing on complaints to them and following up more systematically to unresolved cases.

At the same time, steps must be taken to ensure that **for each law-related problem in the Single Market, fast and effective problem-solving mechanisms are available** and can be easily found. To this end, the Commission will step up efforts to identify and overcome remaining gaps in informal problem-solving and to monitor their functioning in practice. In particular, it intends to actively work with Member States and stakeholders to ensure that quality alternative dispute resolution tools and mediation procedures are effectively put in place and work in practice,<sup>20</sup> and to establish an EU-wide on-line

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<sup>18</sup> See also the programme for interoperability solutions for European public administrations, Decision n° 922/2009/EC of the European Parliament and the Council of 16 September 2009.

<sup>19</sup> Cf., Commission staff working document "Reinforcing effective problem-solving in the Single Market – Unlocking SOLVIT's full potential at the occasion of its 10th anniversary", SWD(2012) 33 final, 24.02.2012.

<sup>20</sup> Cf., Directive 2008/52/EC of the European Parliament and of the Council of 21 May 2008 on certain aspects of mediation in civil and commercial matters; Proposal for a Directive of the European Parliament and of the Council on alternative dispute resolution for consumer disputes – COM(2011) 793 final.

platform for the cross-border complaints.<sup>21</sup> It is also considering an initiative to facilitate the resolution of problems related to double taxation.

The day-to-day functioning of the Single Market crucially depends on the efficiency and quality of national judicial systems. Member States must commit to guaranteeing fast and effective **judicial redress**, including by promoting the use of the European Small Claims Procedure.<sup>22</sup> The Commission will further develop the e-Justice portal to improve access to justice throughout the EU. Further, **adequate compensation** should be available when businesses and citizens incur damages as the result of breaches of their EU rights.

National authorities should also engage in joint market surveillance and enforcement actions, such as joint actions ('sweeps') to secure compliance with consumer protection rules.

Finally, in its role of 'Guardian of the Treaty', the Commission will ensure an effective and swift use of the instruments it has at its disposal (**pre-infringement and infringement procedures**) to remove barriers to growth and the uptake of jobs. The Commission will focus with vigour on systemic problems (such as late or incorrect transposition) that have an economically adverse effect on the functioning of the Single Market.

#### **2.4. Better monitoring, co-ordination and control**

To date, responsibilities for making the Single Market work in practice in Member States and within the Commission are often scattered over a great number of services and instances, at all levels. Good practice already developed in several Member States shows however that the best results are achieved where there is **one instance within the national administration in charge of overseeing and monitoring the functioning of the Single Market at the national level**.<sup>23</sup> The Commission therefore recommends that such good practice is followed everywhere. In particular, such national co-ordinating entities ('**Single Market centres**') should:

- monitor the timely transposition and effective implementation of Single Market rules (and liaise with relevant national parliamentary bodies on this);
- ensure that citizens and businesses are informed of relevant national rules and procedures (in co-operation with existing tools and relevant networks, such as for instance the Enterprise Europe Network and the European Consumer Centres);
- provide guidance and promote good practices amongst the relevant administrations;
- detect, gather data and evidence on problems and obstacles to an effective functioning of the Single Market in their countries, and

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<sup>21</sup> Cf., proposal for a Regulation of the European Parliament and of the Council on online dispute resolution for consumer disputes - COM(2011) 794 final.

<sup>22</sup> Regulation (EC) No 861/2007 of the European Parliament and of the Council of 11 July 2007 establishing a European Small Claims Procedure

<sup>23</sup> Cf., Commission Recommendation of 29 June 2009 on measures to improve the functioning of the Single Market - 2009/524/EC.

- act as a contact point for EU institutions.

These entities could also be made responsible for offering first-line help where rights are breached (cf. supra).

The Commission will set up a **European network** of these national entities, by giving a new mandate to its existing Internal Market Advisory Committee to look at Single Market integration and governance issues, and by making use of on-line platforms. It falls of course on Member States to decide on the institutional shape of such an entity and its articulation with existing structures.

To further improve the way Single Market rules are made, transposed, implemented and enforced, Member States should co-operate with each other and the Commission to ensure that:

- the Single Market legal framework is of the highest quality and effectively works in practice;
- user-friendly information is available about Single Market rights and how to make use of them;
- businesses and citizens can comply with administrative formalities necessary to exercise their Single Market rights by electronic means;
- administrations needing to communicate with each other are linked up electronically;
- effective first-line help centres exist at the national level where businesses and citizens can turn to when encountering problems in the Single Market ('second-generation SOLVIT centres');
- fast and effective redress is available for all Single-Market related problems;
- a network of national 'Single Market centres' is established to monitor and oversee efforts to improve the functioning of the Single Market.

The Commission will monitor progress achieved on all these actions and measure performance on a regular basis.

## CONCLUSION

The Single Market is the EU engine for growth, but also a benchmark for commitment to structural reform in Member States. In addition to a renewed push for reform at EU level, ensuring it delivers fully requires a change of approach in its governance. This means reinstating political oversight at the highest level, eschewing any artificial distinctions between what takes place at EU level and what takes place at Member State level and developing more efficient tools to ensure the Single Market delivers for citizens and businesses.

The Commission invites the Member States to take the necessary steps to implement these actions and comply with the targets proposed in this Communication.

The Commission will work in partnership with Member States to support them in this, and in addition to the other actions under this Communication, the Commission will provide a first report on the integration of the Single Market and the implementation of this communication as part of the Annual Growth Survey 2013.

## Annex

### Key areas and legislative acts requiring special attention

The Single Market contributes to growth and jobs in Europe. Analysis shows however that gains stemming from the creation of the Single Market could be significantly higher if remaining obstacles and cross-border barriers were removed. The situation is different from sector to sector however.<sup>24</sup> To make swift progress, the Commission proposes to focus on sectors or horizontal issues where further market integration (and therefore a better functioning Single Market) is likely to bring about the most significant gains in growth and jobs across the EU.

Based on economic analysis, the key areas identified for 2012-2013 are the services sector (including retail and wholesale trade, business services, construction and financial intermediation services), transport, the digital economy and the energy sector. The key actions included in the Single Market Act must be added to this list, as they have been identified as key measures for boosting growth, jobs and confidence and have a horizontal impact on a better functioning Single Market.

This annex sets out how the Commission has identified key areas for 2012-2013. It also presents a list of the most important pieces of legislation falling within these areas, where particular effort should be undertaken to secure timely transposition, proper application and rigorous enforcement.

#### **1. Methodology and criteria for defining key areas for improving the functioning of the Single Market**

To define key areas, the Commission has made use of a benchmarking exercise assessing the performance of each sector of the economy in each country within EU27, against what is known to be an achievable level of performance, represented by the best performing countries in the EU.<sup>25</sup> Such benchmarking provides an initial assessment of the untapped potential of the Single Market by sector.

Sectors are identified by **applying four criteria or four 'tests'**:

- **Production benchmarking:** This test uses a selection of key quantitative indicators covering the inputs into the production of goods and services to identify sectors which demonstrate the highest untapped potential to generate growth, by comparing performance against the best performing significant economy for that sector. Indicators include labour productivity, innovation, employment growth and sustainability criteria;

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<sup>24</sup> Product market monitoring, European Commission, Directorate-General for Economic and Financial Affairs (2010b).

<sup>25</sup> A comprehensive presentation of the proposed methodology and its quantified results will be presented in the study the "cost of non-Europe" currently under preparation for the Commission by London Economics and PWC under the technical supervision of BEPA and to be published in fall 2012.

- **Economic importance:** This test analyses whether the sector is significant enough in terms of economic scale to make a non-negligible impact on growth if the root causes of its untapped potential were addressed;
- **Dynamic factors:** This test aims to analyse whether the sector appears to already address its untapped potential, based on factors such as the sector's capacity to create employment growth and its possible convergence with benchmark labour productivity levels;
- **Single Market factors:** This test aims to see whether there is evidence that improvements to the Single Market could harness untapped potential. It looks at issues such as the existence of disparate legislation / regulation across Member States, consumer satisfaction, (lack of) competition, (lack of) integration between domestic markets, long term decline in demand and existing policy initiatives.

Applying these four tests to the 67 economic sectors (as defined by the "classification of Economic Activities in the European Communities"<sup>26</sup>) that compose the EU economy, the following areas appear to offer most growth potential, if the single market were to function better:

- **Services** (including retail and wholesale trade, business services, and construction)
- **Financial (intermediation) services**
- **Transport** (rail, road, aviation and maritime)
- **Digital economy** (including broadband deployment and e-commerce)

In addition, the Commission considers that the **energy** sector is to be considered as a key market in Single Market policies, because of its strategic role as an enabling industry providing an essential service to the other sectors of the economy.

The methodology used to define the key areas will be reviewed on a regular basis, amongst others in the context of the European Semester Process.

## 2. List of key legislative acts

In all aforementioned key areas, legislative acts have been adopted, or are about to be adopted, to improve the Single Market. Hereunder, a list is provided of key legislative acts in these sectors, i.e., acts that must be properly implemented, transposed and enforced to ensure that the Single Market's growth potential in these sectors can be fully exploited.

The Commission considers that enhanced efforts and commitments are needed from both the Member States' and the Commission's side, to make the Single Market function to its full potential. For each legislative act listed below, it is explained how the Commission

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<sup>26</sup> NACE Classification, 2 digit level

intends to work with Member States to ensure proper implementation. Where needed, the Commission will also make use of its enforcement powers to secure full compliance.

| <b>Key area</b>                            | <b>Legal act</b>   | <b>Proposed action</b>  |
|--|--|---|
| <b>Services</b>                            | Directive 2006/123/EC of the European Parliament and of the Council of 12 December 2006 on services in the internal market   | In order to address shortcomings in the implementation and application of the Services Directive as identified in the Communication on services, the Commission will deploy efforts on several fronts including bilateral meetings, peer review meetings in small groups of Member States and country specific recommendations.   |
|  | Directive 2008/6/EC of the European Parliament and of the Council of 20 February 2008 amending Directive 97/67/EC with regard to the full accomplishment of the internal market of Community postal services | 7 Member States have not transposed the Postal Services Directive (transposition deadline end 2012). Most Member States have submitted draft pieces of legislation for informal checks. To ensure proper implementation of the Directive, the Commission is conducting systematic conformity checks of legislation adopted. In addition, the European Regulators Group for Postal Services (ERGP) will continue to exchange information and best practice on implementation issues. |
|  | Directive 2005/36/EC of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualifications   | The Commission will continue to discuss the proper implementation and practical functioning of the Directive within the Group of National Co-ordinators, by fostering amongst other exchanges of best practice. The Group of National Coordinators will continue to monitor performance, including by following up on the results of the performance checks exercise.   |
|  | Directive 2011/7/EU of the European Parliament and of the Council of 16 February 2011 on combating late payment in commercial transactions   | The Commission is providing enhanced assistance for voluntary transposition before the deadline of 16 March 2013. It has called twice on Member States to step up efforts to adopt national transposition measures. In addition a Late Payment Expert Group was set up and an information campaign will be launched throughout the Union.   |
| <b>Financial (intermediation) services</b> | Proposal for a Directive of the European Parliament and of the Council on the access to the  | The Commission will promote active use of the Your Question on Legislation IT tool to assist Member States with transposition of the directive. Meetings will be held with Member States and the European Banking Authority to  |

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|  | <p>activity of credit institutions and the prudential supervision of credit institutions and investment firms (the 'Capital requirements directive') - COM(2011)453, 20.07.2011</p>   | <p>facilitate transposition. The Commission will also organise workshops and will conduct systematic conformity checks of the legislation.</p>   |
|  | <p>Proposal for a Regulation of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the 'Capital Requirements Regulation') - COM(2011)452, 20.07.2011</p>                                       | <p>The Commission will promote active use of the Your Question on Legislation IT tool in order to help Member States implement the Regulation. Meetings will be held with Member States and the European Banking Authority on the implementation of the Regulation.</p>  |
|  | <p>Regulation 260/2012/EU of the European Parliament and the Council of 14 March 2012 establishing technical and business requirements for credit transfers and direct debits in euros and amending Regulation EC/924/2009 (the "SEPA end-date Regulation")</p> | <p>Technical workshops will take place in the ambit of the SEPA Council. The Commission will monitor Member States' accompanying actions (e.g. information campaigns) via the Payments Committee and through the Eurosystem, in close cooperation with the ECB. Technical issues will be discussed with market participants (e.g. at Payment Systems Market Expert Group). The take-up of new payment standards by public administrations will be measured yearly (and such measurement will be rendered public via internet).</p> |
|  | <p>Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of</p>  | <p>The draft 'Omnibus Directive' (proposal COM(2012) 217 final of 16 May 2012) extends the deadline for transposition to 30 June 2013. The Commission is developing an IT tool to monitor the transposition of the Solvency II Directive by Member States and to follow-up its implementation. A seminar with Member States and EIOPA on the</p>   |



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|                  | Insurance and Reinsurance (Solvency II)   | transposition of the Solvency II Directive by the Member States will be held in the second half of 2013.   |
|                  | Directive 2008/48/EC of the European Parliament and of the Council of 23 April 2008 on credit agreements for consumers  | The Commission has developed guidelines which will enable Member States to use technical aspects of the Directive in a more harmonised way. The deadline for transposition was 12 May 2010 and the Commission is now undertaking systematic transposition checks. An economic and a legal study is on-going to prepare the 2013 implementation report. |
| <b>Transport</b> | Directive 1999/62/EC of the European Parliament and of the Council of 17 June 1999 on the charging of heavy goods vehicles for the use of certain infrastructures as amended by Directive 2006/38/EC of 17 May 2006 | The key transposition dates are 2008 and 2013. The Commission will intensify bilateral meetings at an early stage with Member States which are implementing new tolling arrangements. In 2013, it will also work with the relevant Committee to develop guidance notes with a view to promoting a more uniform implementation.                         |
|                  | Directive 2004/52/EC of the European Parliament and of the Council of 29 April 2004 on the interoperability of electronic road toll systems in the Community  | The key transposition dates are 2006 and October 2012. The Toll Committee will intensify its work. The Commission will implement stricter monitoring based on Article 258 TFEU and Article 7h of Directive 1999/62/EC, and will promote the exchange of best practice through expert groups and a dedicated website.                                   |
|                  | First railway package:<br><br>Directive 2001/12/EC of the European Parliament and of the Council of 26 February 2001 amending Council Directive 91/440/EEC on the development of the Community's                    | The Commission will hold ad-hoc meetings with all Member States to explain how to implement the first railway package.   |

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|  | <p>railways</p> <p>Directive 2001/13/EC of the European Parliament and of the Council of 26 February 2001 amending Council Directive 95/18/EC on the licensing of railway undertakings</p> <p>Directive 2001/14/EC of the European Parliament and of the Council 26 February 2001 on the allocation of railway infrastructure capacity and the levying of charges for the use of railway infrastructure and safety certification</p> |   |
|  | <p>Proposal for a Directive of the European Parliament and of the Council establishing a single European railway area (Recast) - COM(2010) 475, 17.9.2010</p>  | <p>As part of its transposition assistance, the Commission will adopt implementing rules to ensure a uniform application of the Directive.</p>  |
|  | <p>Fourth Railway Package:</p> <p>Legislative proposal revising Regulation 881/2004 establishing the European Railway Agency and amending safety and interoperability directives type authorisation and railway undertaking</p>  | <p>After adoption of the proposals (scheduled before end 2012), the Commission plans to launch a study to evaluate the effectiveness of the implementation of proposed measures (reducing the cost and the duration of the authorisation process for rolling stock, facilitating access to the market for new railway undertakings).</p> <p>In this context, it will also examine the implementation of Regulation 1370/2007, as revised. It will conduct in particular an analysis of the market impact of the planned new rule aiming at imposing competitive tendering procedures for the award of railway</p> |

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|  | <p>certification</p> <p>Legislative proposal on rail market access, implying the adequate adaptation of the existing acquis on rail market access (1st railway package and its subsequent amendments)</p> <p>Revision of the Regulation on public service contracts (Regulation EC 1370/2007)</p> | <p>public service contracts. The Commission will organise workshop(s) to promote the exchange of best practices.</p>   |
|  | <p>Directive 2009/12/EC of the European Parliament and of the Council of 11 March 2009 on Airport charges</p>   | <p>The Commission will conduct conformity checks on a case-by-case basis, and report in 2013 on the state of play of transposition in Member States.</p>   |
|  | <p>Commission Regulation (EU) No 691/2010 of 29 July 2010 laying down a performance scheme for air navigation services and network functions and amending Regulation (EC) No 2096/2005 laying down common requirements for the provision of air navigation services</p>                           | <p>The Commission will adopt a Recommendation on the implementation of performance plans and targets in June 2012. Monitoring, benchmarking and reviewing the performance of air navigation services and network functions will be conducted with the assistance of the independent Performance Review Body.</p> <p>The Commission will adopt a Recommendation on monitoring in December 2012, giving guidance to Member States on their obligation to monitor the proper implementation of performance plans. The Commission will issue a report on the implementation of performance plans and targets in 2013.</p> <p>EU-wide targets for the second reference period (2015-2019) will be set in 2013.</p> <p>As envisaged in the performance regulation, the Commission (via a Comitology procedure) will amend the performance and charging regulations at the beginning of 2013 to extend the performance scheme to full</p> |

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|  |  | gate-to-gate coverage, with target setting in all four key performance areas (capacity, cost-efficiency, safety, environment).   |
|  | Directive 2010/65/EU of the European Parliament and of the Council of 20 October 2010 on reporting formalities for ships arriving in and/or departing from ports of the Member States                        | <p>The transposition date is 19 May 2012. The Commission will intensify its cooperation with Member States throughout the implementation process for the national single window (to be finalized by 1 June 2015). In particular, a Member States expert group (eMS) provides transposition guidance on implementation coordination as well as detailed technical issues (IT systems, procedures). The Group promotes best practices and presents implementation results. The European Maritime Safety Agency provides technical assistance to the Group.</p> <p>Further support to Member States is provided through an FP7 research project (eMar). The results are shared with the eMS group, thereby giving a tool for Member States to prepare for implementation.</p> <p>Within the 2012 TEN-T call, a pilot project for implementing national single windows is planned for November 2012. A consortium consisting of 17 Member States has expressed its interest in submitting a proposal for the call.</p> |
|  | Decision No 661/2010/EU of the European Parliament and of the Council of 7 July 2010 on Union guidelines for the development of the trans-European network (recast)  | European Coordinators provide support to Member States for effective and timely implementation of Priority Projects. The TEN-T Days annual conferences provide an opportunity to exchange good practice (next conference expected in autumn 2012).   |
|  | Regulation (EC) No 680/2007 of the European Parliament and of the Council of 20 June 2007 laying down general rules for the granting of Community financial aid in the field of the trans-European transport | The TEN-T Committee is set to adopt Annual and Multiannual Work Programmes setting financing priorities. Calls for proposals will be launched in 2012 and 2013, and a procedure will be launched for project selection to prepare the Connecting Europe Facility after 2013. In this context, the Commission intends to organise info day sessions and will provide monitoring and assistance to develop a project pipeline.   |

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|                              | and energy networks  |   |
|                              | Europe 2020 project Bond initiative which will modify Regulation (EC) No 680/2007 (referred to above)  | <p>The TEN-T Annual Work Programme 2012 will be amended in the third quarter of 2012 to provide budget for the LGTT (Loan Guarantee Instrument for TEN-T) in order to provide financing for the pilot phase of the project bonds.</p> <p>The Commission will work with EIB to identify and select projects for the pilot phase of the project bonds. Studies will be conducted in mid-2013 for the interim report of the pilot phase of the project bonds initiative.</p> |
| <b>Digital single market</b> | Directive 2000/31/EC of the European Parliament and the Council of 8 June 2000 on certain legal aspects of electronic commerce   | An in-depth evaluation of the transposition and implementation of the Directive is under way (final report August 2012) Based on the results of the study the Commission will take appropriate action. Work within the expert group of Member States established under the Directive will continue to help develop the legal and cross-border supply of online products and services.   |
|                              | Proposal for a Regulation of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data - COM(2012)11, 25.1.2012 | Upon adoption of the Regulation, the Commission will assist Member States to ensure a proper implementation and application on the ground.  |
|                              | Directive 2011/83/EU of the European Parliament and of the Council of 25 October 2011 on consumer rights, amending Council Directive 93/13/EEC and Directive 1999/44/EC of the European Parliament and of the Council  | The Commission provides enhanced transposition assistance through meetings of Member States experts and through the development of guidelines to help enforcers correctly implement the information requirements set out in Directive 2011/83/EU in the digital area.   |

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|               | and repealing Council Directive 85/577/EEC and Directive 97/7/EC of the European Parliament and of the Council   |  |
|               | Proposal for a Regulation of the European Parliament and of the Council on a Common European Sales law - COM(2011) 635, 11.10.2011   | Upon adoption of the regulation, the Commission will provide assistance to secure a proper implementation and application on the ground.   |
| <b>Energy</b> | Directive 2009/72/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in electricity and repealing Directive 2003/54/EC (Electricity Directive) | The transposition date was 3 March 2011. An in-depth analysis of already notified measures is being carried out. 13 Member States have not fully transposed the Directive however and the Commission is taking appropriate action. The Commission will also continue to discuss the proper implementation and practical functioning of the Directive with the national authorities, including with the national regulatory authorities for energy. |
|               | Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 concerning common rules for the internal market in natural gas and repealing Directive 2003/55/EC (Gas Directive)         | The transposition date was 3 March 2011. An in-depth analysis of notified measures is being carried out. 12 Member States have not fully transposed the Directive however and the Commission is taking appropriate action. The Commission will also continue to discuss the proper implementation and practical functioning of the Directive with the national authorities, including with the national regulatory authorities for energy.         |
|               | Directive 2006/32/EC of the European Parliament and of the Council of 5 April 2006 on energy end-use efficiency and energy services and  | The Directive has been transposed in all Member States; however a significant number of complaints are being examined and point to possible compliance issues. The implementation of the Directive is regularly discussed with Member States, both bilaterally and in the framework of Concerted Action. The Commission is preparing a report  |

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|  | <p>repealing Council Directive 93/76/EEC</p>   | <p>focussing on the progress achieved by Member States in implementing their national indicative targets; however broader implementation issues will also be tackled. The proposed Energy Efficiency Directive aims to further specify certain provisions of Directive 2006/32/EC so as to facilitate its implementation.</p>      |
|  | <p>Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (recast)</p> | <p>Transposition dates: 9 July 2012 and 9 January 2013 (depending on provisions). The Commission will conduct systematic transposition checks once deadlines have lapsed. Implementation assistance will be provided through guidance documents, regular bilateral meetings with Member States, and meetings of expert groups.</p> |

**Measures proposed by the European Commission under the Single Market Act I which Parliament and Council committed to treat as priority, and for which the Commission will provide enhanced transposition and/or implementation assistance:**

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| 1. Proposal for a Regulation of the European Parliament and of the Council on European Venture Capital Funds, 7.12.2011 COM(2011) 860 final 2011/0417 (COD)   |
| 2. Proposal for a Directive of the European Parliament and of the Council amending Directive 2005/36/EC on the recognition of professional qualifications and Regulation on administrative cooperation through the Internal Market Information System, 19.12.2011 COM(2011) 883 final 2011/0435 (COD)   |
| 3. Proposal for a Regulation of the European Parliament and of the Council implementing enhanced cooperation in the area of the creation of unitary patent protection, 13.4.2011 COM(2011) 215 final 2011/0093 (COD)  |
| 4. Proposal for a Directive of the European Parliament and of the Council on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC (Directive on consumer ADR), 29.11.2011 COM(2011) 793 final 2011/0373 (COD)<br><br>Proposal for a Regulation of the European Parliament and of the Council on online dispute resolution for consumer disputes (Regulation on consumer ODR), 29.11.2011 COM(2011) 794 final 2011/0374 (COD)   |
| 5. Proposal for a Regulation of the European Parliament and of the Council on European Standardisation and amending Council Directives 89/686/EEC and 93/15/EEC and Directives 94/9/EC, 94/25/EC, 95/16/EC, 97/23/EC, 98/34/EC, 2004/22/EC, 2007/23/EC, 2009/105/EC and 2009/23/EC of the European Parliament and of the Council, 1.6.2011 COM(2011) 315 final 2011/0150 (COD)  |
| 6. Proposal for a Regulation of the European Parliament and of the Council establishing the Connecting Europe Facility, 19.10.2011 COM(2011) 665 final 2011/0302 (COD)<br><br>Proposal for a Regulation of the European Parliament and of the Council on guidelines for trans-European energy infrastructure and repealing Decision No 1364/2006/EC, 19.10.2011 COM/2011/0658 final - 2011/0300 (COD)<br><br>Proposal for a Regulation of the European Parliament and of the Council on Union guidelines for the development of the trans-European transport network, 19.10.2011 COM/2011/0650 final - 2011/0294 (COD)<br><br>Proposal for a Regulation of the European Parliament and of the Council on guidelines for trans-European telecommunications networks and repealing Decision No 1336/97/EC, 19.10.2011 COM/2011/0657 final - 2011/0299 (COD) |
| 7. Proposal for a Regulation of the European Parliament and of the Council on electronic identification and trust services for electronic transactions in the internal market, 4.6.2012 COM/2012/238  |



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| <p>8. Proposal for a Regulation of the European Parliament and of the Council on European Social Entrepreneurship Funds, 7.12.2011 COM(2011) 862 final 2011/0418 (COD)</p>  |
| <p>9. Proposal for a Council Directive amending Directive 2003/96/EC restructuring the Community framework for the taxation of energy products and electricity, 13.4.2011 COM(2011) 169 final 2011/0092 (CNS)</p>   |
| <p>10. Proposal for a Directive of the European Parliament and of the Council on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services, Brussels, 21.3.2012 COM(2012) 131 final 2012/0061 (COD)</p> <p>Proposal for a Council Regulation on the exercise of the right to take collective action within the context of the freedom of establishment and the freedom to provide services, 21.3.2012 COM(2012) 130 final 2012/0064 (APP)</p> |
| <p>11. Proposal for a Directive of the European Parliament and of the Council on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, 25.10.2011 COM(2011) 684 final 2011/0308 (COD)</p>  |
| <p>12. Proposal for a Directive of the European Parliament and of the Council on public procurement, 20.12.2011 COM(2011) 896 final 2011/0438 (COD)</p>   |