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To:	Delegations
Subject:	Presidency Note on the Commission's Communication on Evaluating National Regulations on Access to Professions

Delegations will find in Annex a Presidency note for the meeting of the High Level Group on Competitiveness and Growth on 6 November 2013.

Presidency Note on the Commission's Communication on Evaluating National Regulations on Access to Professions

Recalling the March 2012 European Council Conclusions, Member States highlighted the need to focus on *'strengthening growth through the mobilisation of Europe's workforce'* as well as stressing *'the importance of making progress on enhancing the mutual recognition of professional qualifications, reducing the number of regulated professions and removing unjustified regulatory barriers'* to help deliver this objective. Following this, on 9 October 2013 the European Parliament voted to pass the revised Professional Qualifications Directive which is now to be adopted by the Council on 15 November under Lithuanian Presidency. Calling for swift action, the European Council Conclusions of 25 October welcomed and stressed the importance of the mutual evaluation process, as outlined in Article 59 of the revised Directive and as discussed further in the European Commission's Communication of 2 October 2013¹, as well as called for a swift progress.

The aim of this three-step Mutual Evaluation process (see annex 1), is to improve the functioning of the Single Market for professional services and support economic recovery and employment growth, especially among young people. Improving market access requirements, without risking public safety or compromising on quality, can improve the competitive environment; encourage innovation, public access to services and prices whilst easing the mobility of European Citizens across borders to secure work. This is not a deregulatory process; rather, the aim is to look at the different forms of regulation and certification which can create barriers to access the professional services market.

Considering the first step, transparency, this is intended to give a systematic overview of the current regulatory environment for professional services across the Union. The value of this is evidenced by an important number of Member States which are already conducting similar exercises to assess their regulatory environment. This is a constructive and indispensable exercise in order to comprehensively appreciate how systems often drafted decades ago and in response to vastly different social and employment needs, are working in practice.

¹ Doc. 14688/13.

To do this effectively a thorough and robust gathering and sharing of information must be conducted, covering all types of regulatory approaches (described in the Annex to the Commission's Communication). Further to ensuring that this overview is comprehensive the European Commission proposes to also conduct a stocktake of European legislation imposing certification, the protection of titles, and reservation of activities or training requirements in certain sectors. On the basis of this transparency exercise, the European Commission will also prepare a "European Map of regulated professions" which will illustrate the diversity of regulated professional activities and access requirements across Member States.

The impact of various regulatory mechanisms creates an accumulative burden, as identified by the Services Staff Working Document on the results of the peer review². Focusing on 5 professions (accountants, architects, patent agents, tax advisers, veterinarians), the Staff Working Document which accompanied the Commission's Communication found that across the European Union there was a diversity of approaches with varying degrees of complexity. They concluded that some measures had a negative impact on competition, innovation, business development, access to capital and acted as a restriction on establishment, both primary and secondary. More consideration of these levers, through mutual evaluation, will give us a clearer appreciation of where there are negative impacts and what measures best meet the public interest without constraining market access and job mobility.

From this initial stocktake Member States will then be able to mutually assess the proportionality of requirements, taking into account the cumulative effect of these and consider any unnecessarily burdensome requirements or alternative methods employed by other Member States, evaluating the relative merits or unintended consequences of each system. Throughout this second part of the process we must keep in balance understandable concerns as to risk. Public safety is always a priority as is the quality of services. Although our objectives remain those listed above, to improve the competitive environment and support mobility, we recognise that these objectives are not best served and may even be contradicted by a race to the bottom. The European Commission will prepare support materials, including guidance and case studies, facilitate discussions between Member States and launch an economic study to assist Member States throughout this analysis by measuring the impact of selected reforms or type of regulation on economic indicators.

² Doc. 14688/13 ADD1

Following this, Member States will use their findings to outline national Action Plans that redress any uncovered failings. Action Plans for the first cluster are expected for early 2015. Each step of this process in and of itself is valuable at both a national and European level, but to secure the best possible outcome it is important that Member States engage fully with each step. Many Member States are already engaged in improving their professional regulatory environment and these improvements will be fully taken account of by the Commission. However, this exercise is not part of the European Semester which follows its own timetable. The Commission underlined in its Communication that the mutual evaluation process should not be used as a reason for delaying the implementation of the Country Specific Recommendations.

The Presidency recognises that this is an ambitious timetable but believes to be achievable. Indeed, recalling the call for 'swift action' in October 2013 Council Conclusions, we look forward to a timely execution of each step up to and including the implementation of improvements identified in Action Plans. The Presidency expects the European Commission to provide further details of how they will support Member States through this process in due course.

