



**2016/0403(COD)**

8.12.2017

# **OPINION**

of the Committee on Economic and Monetary Affairs

for the Committee on the Internal Market and Consumer Protection

on the proposal for a regulation of the European Parliament and of the Council introducing a European services e-card and related administrative facilities (COM(2016)0824 – C8-0014/2017 – 2016/0403(COD))

Rapporteur: Olle Ludvigsson

PA\_Legrej

## SHORT JUSTIFICATION

The proposals for a European services e-card aim to facilitate for service providers to temporarily provide cross-border services within the EU and to expand their business by, for example, establishing a branch in another Member State. The proposals consist of a regulation that regulates the content of the service card and a directive that contains provisions on processes and effects of the service card.

The rapporteur agrees that there is a need to stimulate the development of the services economy and make better use of the potential of the Single Market for services. However, it is essential that any measures aimed at facilitating the free movement of services go hand in hand with maintaining high standards for consumers and workers, as well as ensuring fair competition for companies.

The Commission claims there is an added value with its proposal, yet there is a lot of criticism against it and the accompanying impact assessment. Various organisations, including employers and trade unions from the sectors mostly concerned by the proposals, are seriously questioning the claimed added value with the proposals. There are also concerns raised that the services e-card might have the effect of facilitating bogus self-employment, undeclared work and fake posting.

The European services e-card also aims to offer practical solutions in obtaining cross-border insurance coverage. Since cross-border insurance is available and offered by insurers across Europe, it seems that the proposals try to answer to problems that have not been rightly identified. According to the Commission, the provisions on insurance policies already build on existing practices, while simplifying and harmonising the insurance coverage. However, there are also concerns raised in the insurance sector that the proposals would not benefit neither the sector nor the clients but rather add costs and burden to the already existing insurance coverage. The usefulness for the insurance sector and the protection of the e-card users seems therefore very limited.

It is clear that the proposals from the Commission raise a number of important issues. For instance, when there is an application for a services e-card and the target host Member State does not react, then the e-card is issued anyway, without any control measures enforced by the host Member State. The issued e-card must then be recognised by the host Member State, which cannot impose further national requirements to the e-card holder. The tacit approval mechanism is a matter of concern. In order to avoid any kind of abuse, it is crucial that all applications for a services e-card be effectively controlled by the host Member State before the e-card is formally issued. This should also be done within a reasonable time frame. The proposed time limits to review applications and pass decisions causes serious doubts about the practical ability and capacity of the Member States to effectively examine applications for the e-card within such short deadlines.

Moreover, the indefinite duration of the e-card is problematic. It is obvious that information submitted once could rapidly become outdated. It is also unclear from the proposals what possibilities the host country has for re-examination, post-control and enforcement once the e-card has been issued, ensuring that the company for instance paying its taxes and social security contributions.

The proposal also seems to create restrictions for the host Member State to control companies that want to use the possibility provided for by article 13 of the Directive, about secondary establishment in another Member State. This could have severe implications and go against the principle that a company must be fully subject to the rules and supervision of the host country upon establishment. This could facilitate fraudulent practices and letter-box companies, allowing for tax avoidance practices, since the control measures of host Member State seems to be restricted once the e-card is issued.

In addition, the proposals from the Commission are very complex and contain a number of ambiguities on key issues, which is exacerbated by the large number of implementing and delegated acts, which precludes the whole picture of how the services e-card actually will operate in practice.

All this adds up to the conclusion that it is highly justified to question whether the Commission's proposal actually produce any appreciable benefit, or whether it is just an introduction of complex administrative structures that actually very few have asked for and will use in practice.

Taking into account that there is a risk that the proposal as presented now do not reinforce but rather creates the risk of undermining the social dimension of the internal market and the fight against social fraud, the rapporteur is of the opinion that rather than amending the proposals, trying to address all its shortcomings, it is preferable to entirely reject the proposals. This would, for instance, give the Commission the opportunity to provide a more elaborated assessment regarding the benefit of a services e-card, also taking into account the full spectrum of instruments already in place in this area as this is not clearly contained in the Commission's initial impact assessment.

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The Committee on Economic and Monetary Affairs calls on the Committee on the Internal Market and Consumer Protection, as the committee responsible, to propose rejection of the Commission proposal.

## PROCEDURE – COMMITTEE ASKED FOR OPINION

<b>Title</b>	Regulation of the European Parliament and of the Council introducing a European services e-card and related administrative facilities
<b>References</b>	COM(2016)0824 – C8-0014/2017 – 2016/0403(COD)
<b>Committee responsible</b> Date announced in plenary	IMCO 1.2.2017
<b>Opinion by</b> Date announced in plenary	ECON 1.2.2017
<b>Rapporteur</b> Date appointed	Olle Ludvigsson 29.5.2017
<b>Discussed in committee</b>	9.11.2017
<b>Date adopted</b>	4.12.2017
<b>Result of final vote</b>	+: 24 –: 16 0: 0
<b>Members present for the final vote</b>	Gerolf Annemans, Hugues Bayet, Pervenche Berès, Jonás Fernández, Sven Giegold, Roberto Gualtieri, Brian Hayes, Petr Ježek, Philippe Lambert, Werner Langen, Sander Loones, Olle Ludvigsson, Caroline Nagtegaal, Luděk Niedermayer, Anne Sander, Alfred Sant, Martin Schirdewan, Molly Scott Cato, Pedro Silva Pereira, Peter Simon, Paul Tang, Ramon Tremosa i Balcells, Tom Vandenkendelaere, Miguel Viegas, Jakob von Weizsäcker
<b>Substitutes present for the final vote</b>	Enrique Calvet Chambon, Ashley Fox, Marian Harkin, Alain Lamassoure, Verónica Lope Fontagné, Paloma López Bermejo, Tibor Szanyi
<b>Substitutes under Rule 200(2) present for the final vote</b>	Eleonora Evi, Sylvie Goddyn, Carlos Iturgaiz, Jens Nilsson, Claudia Schmidt, Sven Schulze, Marc Tarabella, Bogdan Brunon Wenta

## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

24	+
EFDD	Eleonora Evi
ENF	Gerolf Annemans, Sylvie Goddyn
GUE/NGL	Paloma López Bermejo, Martin Schirdewan, Miguel Viegas
PPE	Alain Lamassoure, Anne Sander
S&D	Hugues Bayet, Pervenche Berès, Jonás Fernández, Roberto Gualtieri, Olle Ludvigsson, Jens Nilsson, Alfred Sant, Pedro Silva Pereira, Peter Simon, Tibor Szanyi, Paul Tang, Marc Tarabella, Jakob von Weizsäcker
VERTS/ALE	Sven Giegold, Philippe Lamberts, Molly Scott Cato

16	-
ALDE	Enrique Calvet Chambon, Marian Harkin, Petr Ježek, Caroline Nagtegaal, Ramon Tremosa i Balcells
ECR	Ashley Fox, Sander Loones
PPE	Brian Hayes, Carlos Iturgaiz, Werner Langen, Verónica Lope Fontagné, Luděk Niedermayer, Claudia Schmidt, Sven Schulze, Tom Vandenkendelaere, Bogdan Brunon Wenta

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention