



## Strategic Priority 2 - Optimising Professional Mobility

Commentary on Draft Report on the Single Market Strategy (2015/2354 INI)

Committee on the Internal Market & Consumer protection - Rapporteur: Lara Comi

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The Architect's Council of Europe (ACE) is the representative organisation for the architectural profession at European level; it aspires to speak with a single voice on its behalf in order to achieve its aims. Its membership currently consists of 43 Member Organisations, which are the regulatory and professional representative bodies in all EU Member States, Accession Countries, Norway and Switzerland. Through them, ACE represents the interest of over 565,000 architects from 32 countries in Europe.

### Item B – “whereas the single market is underperforming in almost all areas ... [including] ... the licensing of professionals.

#### ACE comment:

Ms. Bienkowska's report claims that **cross-border service provision and mobility of professionals are hindered by regulatory differences and reserves of activities across the EU** – leading, so it is argued - to “limited consumer choice, less entrepreneurship and employment, higher prices” etc. Yet according to the COM's own figures, **96% of cross-border requests for registration by architects are satisfied – so the differences cannot really be that great and there is no regulatory hindrance!** If service providers do not cross-borders in greater numbers, it is because of lack of economic prospects.

Moreover, 98% of architectural practices are SMEs with earnings that fall short of the thresholds and turnover requirements for contracts under the Public Procurement Directives and are, therefore, excluded from those markets – which can constitute as much as 40% of the construction market in some Member States.

ACE believes that the **proposal to assess professional regulation** – again - is totally unnecessary for architects. The architectural profession already underwent a comprehensive proportionality assessment in 2014, as provided for in article 59 of the Professional Qualifications Directive. The report produced at the end of this exercise was limited both in quality and coverage; it was also inaccurate and tendentious (see enclosed commentary). It is understood that a number of MS have not produced National Action Plans in response to this, as it is not considered to be a priority.

As for improving **access** to the profession, it is more than questionable whether it would be wise to lower entry standards simply in order to increase the numbers entering the profession. With as many as 40% of architects unemployed or under-employed in some EU MS at the depth of the economic, and with more and more professionals seeking work outside the EU, the idea of allowing greater numbers to access the market will only produce more unemployment, lower standards and reduce the ability of EU professionals to compete internationally as their standards will fall short of those practised in other parts of the world. In any event, access to the profession is determined by education - which is subject to the principle of subsidiarity.



#### **Points 4, 5, 7 - helping SMES and start-ups to grow**

VAT regulations, company law; regulatory requirements; access to finance; bankruptcy laws; barriers to innovation. COM's Single Member Company proposal will reduce the costs of company registration.

**ACE comment:**

this would be particularly useful given the increase in the number of single person practices – now 74% of the profession. Judicious use of the COSME fund should also help the internationalisation of SMEs, by providing them with greater legal certainty, access to finance and information.

#### **Point 16 (Standards) – exploitation of opportunities offered by the TTIP**

**ACE comment:**

Although the development of a Mutual Recognition Agreement between EU and US architects is at the forefront of the professional services part of the TTIP negotiation, the European Commission has hampered its chances by agreeing a standard (or academic education and professional traineeship) for cross-border movement of architects within the EU that is inferior to the commonly agreed international standard.

#### **Point 26 (more effective application of the Services Directive)**

**ACE comment:**

We would underline that the evaluation of article 15 of the Services Directive has already taken place, leading to infringement proceedings against a number of MS (in relation to company form and fee-scales).

ACE underlines the 'voluntary convergence' elements of the Services Directive remain largely unexplored. ACE has done work on the development of a customer-facing Quality Charter, encouraged work on the development of a Quality Management system, drafted a Deontological Code and started to examine Alternative Dispute Resolution systems – in an attempt to encourage greater convergence of standards.

#### **Points 27 – Services Passport**

**ACE Comment:**

ACE is seeking clarification as to whether this is one and the same thing as the European Professional Card (for which optional uptake is proposed in the Professional Qualifications Directive). As architects already have the option of developing a Professional Card, we are concerned that the proposed the "Services Passport" could be - at best - an over-lapping provision, and at worst, a duplication.