



Single Market Strategy

- initiatives regarding regulated professions

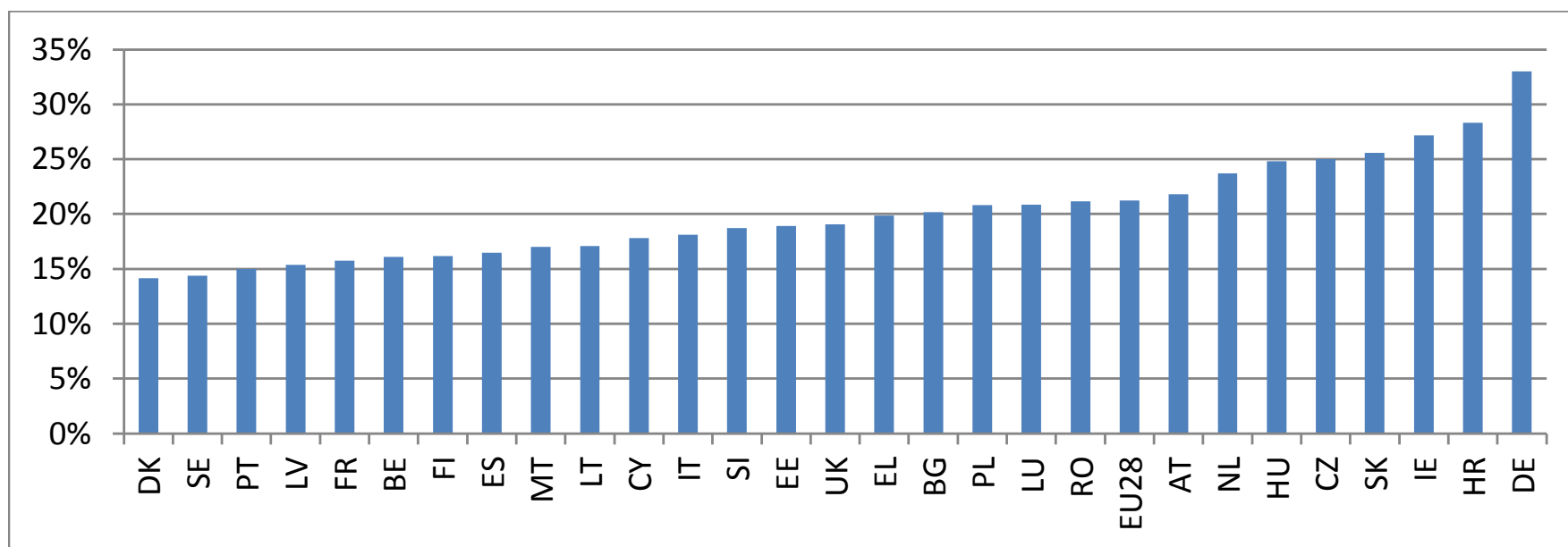


Why this is important?

- 1. Over 5500 regulated professions in the EU, directly affecting 22% of the European labour force.*
- 2. Regulated professions throughout value chains across all sectors.*
- 3. Studies suggest better regulation could mean 705,000 more jobs.*



Prevalence of occupational regulation



5600 professions in Europe, 22% of the working population, 47 million people





Mutual evaluation exercise

Context

- Article 59 of revised Professional Qualifications Directive: MS agreed to transparency and mutual evaluation

Objectives

- Promote mobility and encourage cross border service development
- Improve competitiveness and employment in professional services
- Maintain the best interests of consumers

Actions

- Transparency
- Assess necessity and proportionality
- Discussions between MS and exchange of best practice





Results of the mutual evaluation

- **National Action plans** by Member States
 - 23 submitted
- **Level of ambition varies**
- **Difficulties** in completing proportionality assessments
 - Lack of clarity as to the criteria to be used for proportionality assessments
 - Number of proportionality assessments missing or superficial
- Article 59 of the Professional Qualifications Directive: follow-up **Initiatives** to be presented in 2017





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Single Market Strategy

COM(2015) 550 final



Two specific initiatives focussing on regulated professions

1. Guidance on reform needs
2. Proportionality test for regulated professions





SMS - Two specific initiatives on professions

1. Guidance on need for reforms:

To draw attention to requirements on access and conduct which seem particularly heavy.

Profession by profession, **starting with economically most significant** (incl. accountants, civil engineers, architects, lawyers, real estate agents, tourist guides, patent agents).

Guidance periodical. First one by end 2016.

Reform priorities may feed into the European Semester.





Guidance on reform needs

- Focus on 7 professions announced in SMS
- Separate analysis per profession
- Country fiches
- Quantitative and qualitative assessment of level of restriction
- Quantitative part calculated on basis of information from Mutual evaluation and own research, cross-checked with Member States
- Guidance/recommendations on 7 professions
- Publication expected in Dec 2016





Proportionality test

Results of the Mutual Evaluation

Difficulties in completing proportionality assessments

- **Required significant efforts from Member States**
- **Lack of clarity as to the criteria to be used for proportionality assessments**
- **Number of proportionality assessments missing or superficial**





Objectives of the proportionality test

Better regulation, not deregulation of professions

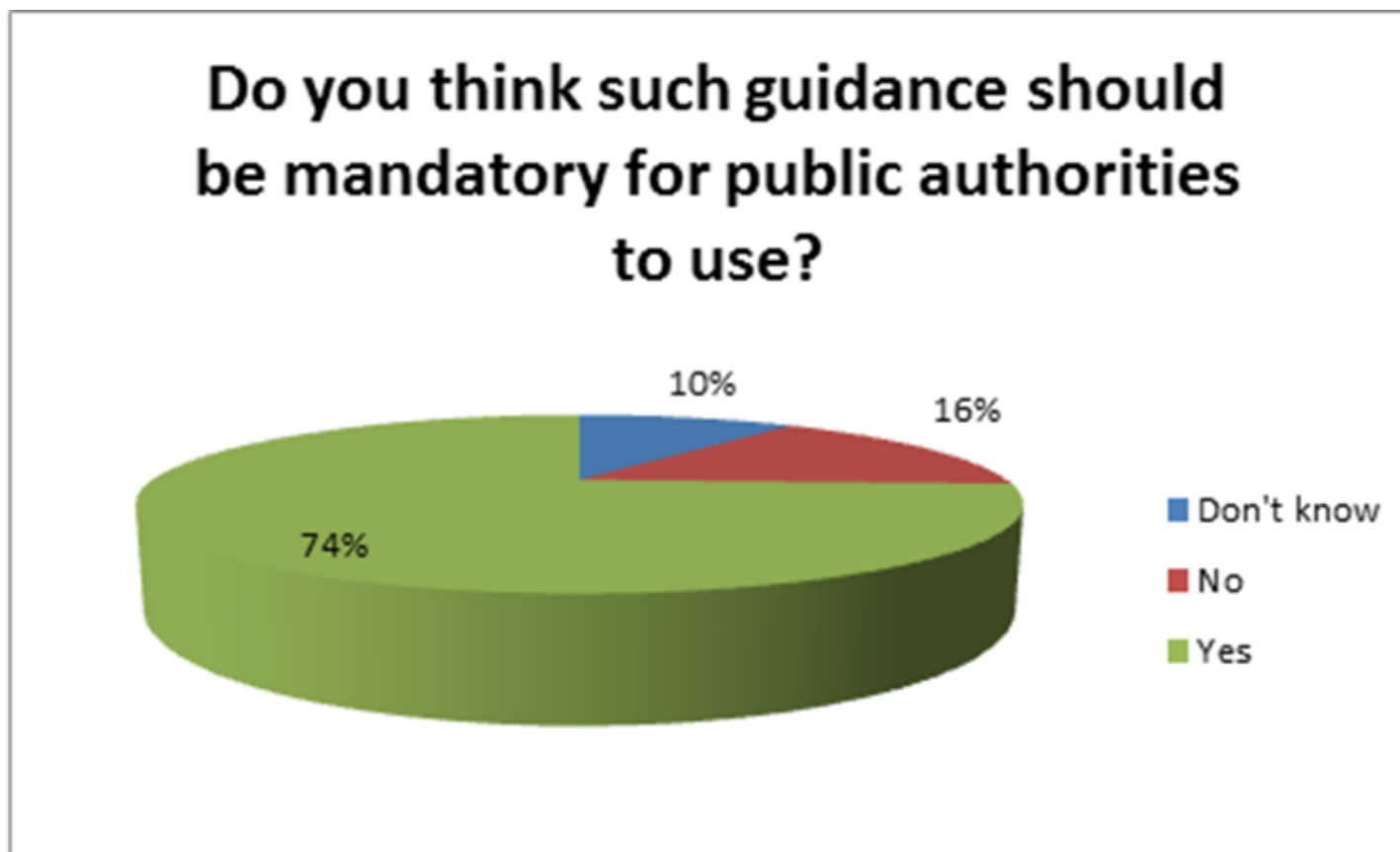
Proportionality test will not impose regulation or deregulation, but a proper proportionality assessment at all levels of regulation

Improve access to professions in and across Member States

To be used when reviewing or introducing new regulatory requirements and thus prevent disproportionate measures to be adopted

Does not introduce additional bureaucracy or new notification obligations

Consultation responses to introducing a mandatory proportionality test:



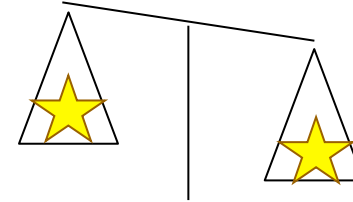


Analytical framework for proportionality analysis

Proportionality test:

- A proposal to strengthen the proportionality assessment before introducing regulation of professions (existing legal requirement under PQD)
- Common criteria to make the methodology comparable across the EU
- Ex ante assessment before introduction of new regulation
- Builds on the existing case law and existing best practices
- Analyse effects of regulation including in economic terms





Proportionality test

Back to basics : A principle of general application/assessment on a case-by-case basis

The initiative will:

- Indicate requirements to be assessed (reserves of activities, conduct restrictions, cumulative effect)
- Consolidate the case-law:
 - Acceptable justifications (overriding reasons)
 - Is the requirement necessary to achieve that aim or are there less restrictive means?
- Introduce further transparency and ensure objective assessments and adequate up-to-date regulation of professions



Thank you!

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