



## Single market: Commission urges four Member States to comply with the Services Directive in the area of regulated professions

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The European Commission is taking further steps in its infringement procedures against **Austria, Cyprus, Germany, and Poland** on the grounds that their national rules include excessive and unjustified obstacles in the area of professional services. Despite the exchanges held with the four Member States, the Commission continues to consider that requirements imposed on certain service providers in these Member States run counter to the Services Directive ([Directive 2006/123/EC](#)).

Elżbieta **Bieńkowska**, European Commissioner for Internal Market, Industry, Entrepreneurship and SMEs, said: "*Unnecessary restrictions on legal form, shareholding and fixed tariffs are still standing in the way of making the best out of the single market for professional services. These hidden barriers are discriminatory, unnecessary and disproportionate. Allowing companies and individuals to provide their services freely across the EU will lead to more choice for our consumers and increase the EU's competitiveness.*"

Excessive shareholding requirements, such as the requirement that professionals should hold 100% of the voting rights and capital in a company, or should have the corporate seat in a given jurisdiction, can make a second establishment or cross-border provision of services difficult. Compulsory tariffs deprive customers of the possibility to negotiate a price at a quality they decide upon. In order to ensure an adequate quality for such services, the Commission also considers that other less restrictive safeguards already exist.

In June 2015, the Commission sent a [letter of formal notice](#) to these Member States as well as to Malta and Spain, urging them to adapt their rules on shareholding requirements or compulsory tariffs. Following the commitments made by Spain and Malta, and by Germany as regards the situation of tax advisors, the Commission is following the situation closely and expects the necessary national reforms to be adopted soon.

Today's action concerns as follows:

- seat requirements for patent attorneys, legal form and excessive shareholding requirements for architects, engineers, patent attorneys and veterinarians, and restrictions on multidisciplinary companies for architects, engineers and patent attorney in Austria;
- shareholding requirements for all engineering professions, including civil engineers and architects in Cyprus;
- minimum and maximum tariffs for architects and engineers in Germany and
- minimum tariffs for patent agents in Poland.

The Commission's request to Austria, Cyprus, Germany, and Poland takes the form of a reasoned opinion. Member States now have two months to notify the Commission of measures taken to remedy the situation; otherwise, the Commission may decide to refer them to the Court of Justice of the EU.

Today, the Commission also decided to send a reasoned opinion to **Greece** due to continuing restrictions in the area of training of mediators.

#### Background:

In its Article 14, the Services Directive ([Directive 2006/123/EC](#)) lists a series of prohibited requirements, including obligation to have the seat of the company in a certain jurisdiction.

In its Article 15, the Services Directive lists a series of requirements imposed on service providers, among which legal form, shareholding and mandatory tariffs. These requirements are not strictly prohibited but have been identified by the Court of Justice of the EU as creating obstacles to the single market in services. They can only be maintained in so far as they are non-discriminatory, justified by an overriding reason relating to the public interest and proportionate, i.e. no less restrictive measure

could be used. As part of the transposition of the Services Directive, Member States were to screen their requirements and assess whether they met this three-step test.

**More information:**

- On the February 2016 infringements package key decisions, please refer to the full [MEMO/16/319](#).
- On the general infringement procedure, see [MEMO/12/12](#).
- Information on the [infringement procedures](#).

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