



## Commission calls on Member States to build a more competitive and dynamic business services market

Brussels, 9 July 2021

Today, the Commission presents its updated [reform recommendations](#) on regulation of seven professional business services. The aim of today's recommendations is to incentivise and assist Member States in creating a regulatory environment that is conducive to growth, innovation and job creation and above all to do away with persisting obstacles in the single market for services.

The updated recommendations reflect the very limited progress made by Member States in reforming professional regulations since the initial recommendations were first published in 2017. Only a few Member States have taken action to remove disproportionate regulation. Overall, the reforms only partially addressed the Commission's recommendations, leaving significant room for further regulatory improvements in most Member States.

Targeted and effective structural reforms in these sectors would benefit European industrial ecosystems hit hard by the pandemic by creating a more open business environment and improving choice, prices and availability of services for consumers and industry.

Commissioner Thierry **Breton**, responsible for the Internal Market, said: *"Business services are essential for the European economy. European consumers as well as all industrial ecosystems depend on them. Today's recommendations provide a new impetus for Member States to improve the competitiveness and resilience of our Single Market for services and contribute to the post COVID-19 recovery. The limited progress on reforms in the past 4 years shows that we need to move up one gear. The European Commission is ready to support Member States in this process."*

The recommendations focus on seven professional business services with high growth, innovation and jobs potential: architects, engineers, lawyers, accountants, patent agents, real estate agents and tourist guides. The recommendations address national rules that regulate access to and exercise of these services, for instance by reserving broad areas of activities to professionals with specific qualifications or limiting the types of company forms and ownership structures allowed. Those practices can restrict competition as well as businesses' access to capital, economies of scale and innovation. Indeed access to and exercise of regulated professions are repeatedly identified amongst the most persisting obstacles for businesses in the single market.<sup>[1]</sup>

To this purpose, the recommendations: i) monitor the reform progress; ii) increase awareness of burdensome regulation; and iii) identify areas for reforms with the highest economic potential.

This Communication analyses and benchmarks the restrictiveness of barriers imposed on similar professions across Member States using a quantitative indicator.

This Communication and its recommendations are part of the Commission's ambitious agenda of making the European single market in services better integrated, more competitive and dynamic as set out in the updated 2020 New Industrial Strategy.<sup>[2]</sup> It delivers a key action set out in the Commission's Enforcement Action plan.<sup>[3]</sup>

### Background

Business services, many of which are regulated professional services, represent around 13% of EU value added and around 14% of EU employment. These sectors provide intermediate inputs across all industrial ecosystems and play an essential role in the European economy. This means that a well-functioning professional services sector can be a significant source of economic growth and welfare, and the smooth functioning of this sector will be important for achieving a robust economic recovery from the COVID-19 crisis.

This Communication updates and reinforces the [recommendations for national reforms to regulation in professional services addressed to Member States in 2017](#). It is part of the follow-up actions to the '[mutual evaluation](#)' exercise foreseen by the revised Professional Qualifications directive of 2013 (2013/55/EU).

A [Staff Working Document](#) with more detailed analysis of the national rules on specific professional services accompanies the recommendations.

## **For More Information**

[Communication on taking stock of and updating the reform recommendations for regulation in professional services of 2017](#)

[Staff Working Document](#)

[2017 Guidance on reform recommendations for regulation in professional services](#)

[1] SWD(2020) 54

[2] COM(2021) 350

[3] Long-term action plan for better implementation and enforcement of single market rules, COM(2020) 94 final

IP/21/3404

Press contacts:

[Sonya GOSPODINOVA](#) (+32 2 296 69 53)

[Federica MICCOLI](#) (+32 2 295 83 00)

[Célia DEJOND](#) (+32 2 298 81 99)

General public inquiries: [Europe Direct](#) by phone [00 800 67 89 10 11](#) or by [email](#)