

SERVICES IN THE INTERNAL MARKET

CURRENT STATUS

The Directive 2006/123/EC on Services in the Internal Market was approved on 12 December 2006. The objective is to achieve a genuine internal market for services by removing legal and administrative barriers to the establishment in another Member State and to the provision of services into Member States where the service provider is not established.

The Accountancy profession is included in the scope of the Directive although the impact is circumscribed in key respects by other EU legislation of direct relevance to the profession.

Member States shall bring into force the laws and administrative provisions necessary to comply with the Directive before 28 December 2009.

SCOPE AND CONSISTENCY WITH OTHER COMMUNITY DIRECTIVES

"If the provisions of this Directive conflict with a provision of another Community act governing specific aspects of access to or exercise of a service activity in specific sectors or for specific professions, the provision of the other Community act shall prevail and shall apply to those specific sectors or professions." (Article 3)

Other Community instruments that must be considered in this respect include at least Directive 2005/36/EC of 7 September 2005 on the *Recognition Professional Qualifications* and Directive 2006/43/EC of 17 May 2006 on *Statutory Audit of Annual Accounts or Consolidated Accounts*.

In particular, *professional rules in case of temporary provision of services* will not be regulated by the Directive on Services since the related provisions in Article 16 will not apply:

- When the matter is covered by Title II of the Directive on the Recognition Professional Qualifications (Art.17, 6) ;
- To requirements in the Member State where the service is provided which reserve an activity to a particular profession (Art.17, 6);
- When the matter is covered by the Directive on Statutory Audit (Art 17, 13).

ADMINISTRATIVE SIMPLIFICATION AND COOPERATION

The provisions of the new Directive related to administrative simplification are important. However their effectiveness depends on how the procedure will be applied in practice and, in particular, the manner Member States will implement the concept of "point of single contact", which should be clarified.

(continued overleaf)



NEXT STEPS

Chapter V of the Directive relates to quality of services. The accountancy profession has already developed strong systems of quality assurance of accountancy services in general and in particular of audit services. The IFAC code of Ethics applies to all activities of an accountant. FEE will analyse in more details the impact of Chapter V on the accountancy profession of FEE will reflect in particular on Article 37 of the Directive which relates to codes of conduct and their application in particular to cross-border provision of services.

FEE REFERENCES

Provision of Accountancy, Audit and Related Services in Europe - *A Survey on Market Access Rules* – FEE December 2005

http://www.fee.be/publications/default.asp?library_ref=4&content_ref=539

[Internal Market for Services and the Accountancy Profession: Qualifications and Recognition](#) – FEE November 2007

http://www.fee.be/publications/default.asp?library_ref=4&category_ref=44

EUROPEAN REFERENCES

Directive 2006/123/EC of 12 December 2006 on Services in the Internal Market - Official Journal of the European Union L376 of 27 December 2006

http://ec.europa.eu/internal_market/qualifications/future_en.htm

Directive 2005/36/EC of 7 September 2005 on the Recognition Professional Qualification - Official Journal of the European Union L255/2005 of 30 September 2005

http://europa.eu.int/comm/internal_market/qualifications/index_en.htm

Handbook on implementation of the Services Directive

http://ec.europa.eu/internal_market/services/services-dir/proposal_en.htm

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About FEE:

“FEE (Fédération des experts comptables Européens – Federation of European accountants) represents 43 professional institutes of accountants and auditors from 32 European countries, including all 27 EU Member States.”