

Internal Market

SERVICES IN THE INTERNAL MARKET

Directive [2006/123/EC](#) of the European Parliament and of the Council of 12 December 2006 on services in the internal market

Objective

In order to achieve a “genuine” internal market for services by 2010, the Directive aims to remove barriers to the freedom of establishment for service providers in Member States and barriers to the free provision of services between Member States. It also aims to increase the choice offered to recipients and improve the quality of services for consumers and businesses.

Relevance for the hospitality industry

The Directive is relevant to the sector because it lays down rules to facilitate cross-border business and to reinforce the freedom of establishment in another Member State

It also calls for more transparency in information to be provided to consumers in relation to services offered, with a direct reference to tourism and the hotel business. Hotel classification is mentioned as a special area of concern.

Furthermore, the text calls upon the Commission and the Member States to encourage providers and professional organisations to draw-up quality charters. It favours the development of voluntary European standards with the aim of facilitating compatibility between services. Independent assessments of quality, notably by consumer associations, are also recommended.

State of progress

Presented by Commissioner Bolkestein in January 2004 and adopted on 12 December 2006. The Directive was to be transposed into national law by 31 December 2009.

Content

The Directive establishes a general legal framework for an EU internal market for services by allowing the provision of any service for “economic return” (with some exceptions). The provisions of the text aim to:

- Facilitate freedom of establishments for providers and the free provision of services;
- Strengthen the rights of recipients of services;
- Promote the quality of services;
- Establish effective administrative cooperation among Member States.

The Directive requires Member States to examine and, if need be, simplify the procedures and formalities applicable to accessing a service activity and to exercise them. It includes putting in place points of single contact (possibly on-line) at which a provider may complete all the necessary formalities to fulfil various duties.

To ease freedom of establishment, the Directive:

- Impose Member States to evaluate the compatibility of their authorisation schemes in light of the principles of non-discrimination and proportionality;
- Repeals certain legal requirements that remain in the legislation of some Member States and that are no longer justifiable (e.g. requirements on nationality);

- Contains the obligation to evaluate the compatibility of a certain number of other legal requirements in light of the principles of non-discrimination and proportionality.

The Directive also strengthens consumer rights as service users by establishing their right to obtain information on the rules applicable to providers and on the services offered by a provider. This transparency requirement is particularly emphasised for hotel classification (see recital 102 of the Directive). Information on the significance of various labels and other quality marks, as well as on the criteria for applying them, must be easily accessed by both providers and consumers (article 26-2 of the Directive).

Moreover, the Directive encourages Member States to induce providers and professional organisations to draw-up quality charters (article 26-1). It also favours the “*development of independent assessments, notably by consumer associations, in relation to the quality*” of services provided (article 26-4).

Finally, article 26-5 of the Directive refers to European standardisation as a possible mean to facilitate compatibility and quality of services (see specific section on standardisation on the [HOTREC website](#)).

For a detailed summary of the Directive you can visit the [SCADPlus](#) website (European Commission).

HOTREC position

HOTREC welcomed the adoption of this important Directive as it should have a positive impact on the EU economy as a whole and the hospitality sector, reducing red tape and increasing cross-border trade. For those hoteliers and restaurateurs who wish to provide services or establish their businesses in another Member State it should be easier to deal with the necessary administrative procedures. Increased cross-border trade in services and economic activity in general is also likely to benefit the hospitality industry indirectly.

However, HOTREC expresses reservations in relation to the call for intervention by the public authorities (Commission, Member States) on services standardisation, hotel classification and quality charters. For additional information on the position of HOTREC on these matters, see the specific sections of the HOTREC website.

Official references

Directive [2006/123/EC](#) of the European Parliament and of the Council of 12 December 2006 on services in the internal market, O.J. L 376 of 27.12.06

Directive [98/34/EC](#) of the European Parliament and of the Council of 22 June 1998 laying down a procedure for the provision of information in the field of technical standards and regulations and of rules of Information Society services, O.J. L 204 of 21.7.1998

See also:

Commission Working [document](#) “Quality of services – the role of European codes of conduct”, December 2007

DG Internal Market and Services [website](#)

Last update: March 2010