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## SERVICES PASSPORT MUST LEAD TO TRUE SIMPLIFICATION



The growth potential of cross-border provision of services in the EU is huge, but there are significant obstacles that prevent it. Therefore, the European Commission wants to create a new instrument – the so-called services passport that should help services providers go cross-border and reduce unnecessary burden. The services passport was discussed by representatives of EU institutions, permanent representations and business organizations on 19<sup>th</sup> April in Brussels. According to Jürgen Tiedje, Head of the Service Policy for Consumers Unit at DG GROW of the European Commission, service providers that want to go cross-border still face significant barriers, including complex and costly administrative procedures. *The services passport should be a single electronic procedure involving the service provider and the authorities of the home and host member states. The idea is that the service provider would have a single interlocutor in the home country, who in*

*turn communicates with the host country. Documents should be submitted only once*, he explained. Business representatives agreed that the services passport must lead to regulatory simplification and streamlining. They reminded that bilateral services passports are already in place and some of them make things even more complicated. Jan Havlík, Director of European Affairs and Internal Market Department of the Ministry of Industry and Trade of the Czech Republic said that we need instruments like services passport because the internal market is far from being perfect. *There are several basic principles that the passport should respect: it should lead to true simplification, be voluntary, fully electronic, not increasing administrative burden and should be applicable both for establishment and cross-border provision of services*, stressed Havlík. On May 2, the Commission launched a public consultation on this topic.

## MEPs CORNER

*Paperwork problems have always been used by different administrations as an excuse to keep out service providers from another Member State and to defend national markets from honest external competition. Any tool, including the Services Passport that can remove such artificial barriers to businesses and professionals exercising their rights under European law must be welcomed. When registration databases are linked and documents easily verified, this will be one less bureaucracy nightmare for our citizens.*

Dita Charanzová,  
Member of the Internal Market and Consumer  
Protection Committee of the European Parliament



## CZECH BUSINESSES SUPPORT TTIP



On the 2<sup>nd</sup> of May, Greenpeace Netherlands released leaked documents from Transatlantic Trade and Investment Partnership (TTIP) negotiations between the EU and US. According to Greenpeace, the documents prove that TTIP will jeopardize European citizens by transferring power from people to big businesses, lowering European standards related to environment and food safety and will make it harder to implement climate actions by the EU. However, Czech business organizations believe that this is not the case. As the Europeans Commission continues to underline, the final deal won't do anything like that. The aim is to lower or remove current tariffs, improve recognition of certifications and technical standards and improve access to procurements on both sides of the Atlantic. The released documents do not show the final text of

TTIP, but only internal negotiating positions. By making them public, interests of the negotiators are harmed as it significantly lowers space for manoeuvre in the mature stage of negotiations. The misconception might arise from different approaches to regulation. While the EU uses the so-called precautionary principle, under which products that could be harmful are banned, the US applies a less strict principle that intends to manage possible risks. However, TTIP doesn't change the way regulation is made on either side and regulatory principles will be preserved. In addition to that, the final version of the deal has to be ratified by EU member states and the European Parliament and therefore it is highly unlikely that the Commission would present to them a text that would lower the mentioned standards in any way.

CEBRE was founded in 2002 by the three most important Czech business organizations - Czech Chamber of Commerce, Confederation of Industry of the Czech Republic, Confederation of Employers' and Entrepreneurs' Associations of the Czech Republic with kind support of the Ministry of Industry and Trade via its Trade promotion agency CzechTrade.



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## News FLASH

### >CZECH REPUBLIC HAS THE LOWEST UNEMPLOYMENT RATE IN THE EU

In the EU, the lowest unemployment rates in March 2016 were recorded in the Czech Republic (4.1%) and Germany (4.2%). According to Eurostat, the Prague region has the lowest unemployment rate in the entire European Union. Prague shares its top spot on the list with Germany's Upper Bavaria.

### >REVISION OF POSTING OF WORKERS DIRECTIVE – 3<sup>rd</sup> YELLOW CARD ISSUED

On May 10, 11 national parliaments, including the Czech Republic, issued a "yellow card" that forces the European Commission to reconsider its proposal to revise the Posted Workers Directive.

### >ELECTRONIC RECORDS OF SALES

The System of the electronic records of cash sales of goods and services which was approved after several months of obstruction in February 2016, shall be launched in autumn this year. Right in the moment of payment, every cash receipt will be recorded through the internet in the central data repository of the Financial Administration. Still, some legal issues have to be solved.

## MEPs MUST DEFEND NATIONAL INTERESTS DESPITE THEIR FRACTIONS

Revision of Posting of Workers Directive that is based on the principle of the same wage for the same work will divide the EU, distort the unity of EU member states and increase legal uncertainty for companies. The European Commission can't interfere with competences of EU member states and adopt decisions that don't respect proportionality and reciprocity principles. Eleven "yellow cards" sent to the Commission from national Parliaments are a significant signal that the proposal is in line with reality and it is necessary to act. In this regard, CEBRE – Czech Business Representation to the EU founders pointed out once again at a meeting with Czech MEPs on the 16<sup>th</sup> of May in Prague that one-sided legislative activities of individual member states, as for example German minimum wage law, rather distort EU single market functioning and they call for initiation of infringement procedure with France that puts absurd requirements on foreign haulers. "In addition, posting of Workers Directive shouldn't be revised as the Enforcement Directive from 2014 hasn't been fully implemented yet. The real problem here is insufficient convergence of member states

that won't be solved by the revision", said Vice-Chair of Culture and Education Committee of the European Parliament Michaela Šojdrová. Apart from posting of workers, participants of the meeting discussed China market economy status and welcomed the constructive approach of the European Parliament that supported the recent resolution which is going against granting China market economy status. "The key question is what will happen with EU anti-dumping measures after 11<sup>th</sup> of December 2016 when China should be granted market economy status by World Trade Organization. I hope EU will put in place sector-oriented measures that won't be protectionist, but will ensure level playing field", stressed Member of Economic and Monetary Affairs Committee of the European Parliament Luděk Niedermayer. As for current and future legislative initiatives in energy sector, CEBRE founders expressed their hope that the upcoming Slovak presidency in cooperation with Vice-President of the European Commission Maroš Šefčovič find business friendly solutions. Participating members of the European Parliament welcomed cooperation with CEBRE



and expressed the importance of dialogue with business representatives in order to find arguments necessary for forming majority in the European Parliament and promised to defend economic interests of the Czech Republic. At the same time, CEBRE founders regret that many MEPs usually don't participate at regular meetings with them because it is part of their mandate to protect interests of businesses operating in the Czech Republic.

## EESC CORNER: REVISION OF POSTING OF WORKERS DIRECTIVE WILL DIVIDE EUROPE



At the beginning of March 2016, after long months of political hesitations, the European Commission published its proposal of Posting of Workers Directive (96/71/EC) that will once again and for a long time divide Europe,

increase costs and legal uncertainty of posting companies, especially from Central and Eastern Europe, distort the internal market, limit provision of cross-border services and distort healthy competition. Main points of the revision include limiting the period of posting to 24 months, supplementing the minimum wage provision of remuneration needed for an adequate social protection, setting new rules for sub-supply chain and temporary work agencies. The revision of the directive should be complementary to so-called implementing directive 2014/67/EU which is to be transposed only until 18<sup>th</sup> June 2016. The Commission also ruins the proved, well-established, balanced and still well-performing set of rules enabling to provide cross-border services without unnecessary and unjustified barriers while at the same time ensuring adequate protection of posted workers

temporarily residing in the host country and engage with local labour market only in a limited manner. In its virtuous effort, the Commission probably forgot its new programme called New start for Europe, which is built on a premise that the Commission will only focus on big things, the main principle of the legislative process will be better and more efficient legislation and will support only consensual and quickly passable proposals. Therefore, the question is, Cui bono?



Vladimíra Drbalová,  
Member of the EESC,  
Vice-chair of the Group I  
-Employers



## CEBRE CALENDAR:

- **15<sup>th</sup> June:** CEBRE debate on Country Specific Recommendations (Prague)
- **21<sup>st</sup> – 22<sup>nd</sup> June:** CEBRE meets Czech exporters to Belgium (Prague)

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