

Single Market Compliance package: good concept undermined by flaws in approach

EUROCHAMBRES supports several measures announced in today's European Commission new Compliance package, but expresses doubts about the overall effectiveness of the initiative in addressing the barriers that businesses encounter in the single market. Of the two main elements in the package, the Single Digital Gateway is welcomed but does not go far enough, while the Single Market Information Tool goes too far and in the wrong direction.

Single Digital Gateway falls short of expectations

The Single Digital Gateway was announced in the 2016 Digital Single Market Strategy to facilitate access to information on all national requirements, to provide assistance and to facilitate compliance procedures. This aim resonates strongly among Chambers¹ and EUROCHAMBRES is pleased that the proposal ticks the information box. However, the regulation falls short on compliance, omitting procedures on VAT, social security and other taxes, which will seemingly be addressed in separate proposals later this year.

EUROCHAMBRES CEO Arnaldo Abruzzini said: *“EUROCHAMBRES has repeatedly called for a Single Digital Gateway that enables full transactionality of the most important e-procedures. Regrettably, the Commission seems itself unable to act in a single, coherent manner. This undermines the effectiveness of the new mechanism and suggests that senior Commission decision-makers care more about internal procedures than addressing business complexity.”*

Single Market information Tool (SMIT) misdirected

Rules are useless without proper enforcement. This is the underlying premise of the accompanying Single Market Information Tool proposal and is fully in line with EUROCHAMBRES' position on strong delivery and implementation of existing requirements. However, the SMIT approach misses the mark; it is fundamentally targeted at businesses, yet it is member states that are largely responsible for persisting barriers to the single market.

Mr Abruzzini remarked: *“The Commission is kidding itself if it thinks that a lack of commercial data is the root cause of single market malfunctions. It is member state administrations that regularly fall short in implementing requirements. In this climate, the last thing businesses need is further enforcement burdens and additional demands for information.”*

¹ A 2015 EUROCHAMBRES survey of several hundred entrepreneurs revealed that different national product and service rules, the complex procedures that accompany such rules and difficulties in accessing information about them are the main obstacles to trading within the EU. This survey has been frequently referred to by Commission services in the preparation of the Single Digital Gateway.

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