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The Service Directive and its Influence on the Safety/Security Market

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- The European Service Directive – intent & goals**
- What *will* change and what *not* with the implementation ?**
- Consequences for the European Fire Safety & Security Industry**
- Status of the implementation**
- Next steps**

The *Directive, 2006/123/EC, on services in the Internal Market*
(the "Services Directive")

- was adopted on by the Council and the EU Parliament on December 12, 2006
- to be fully implemented by the Member States by *28 December 2009*

Its objective is

“ to help realizing the full potential of the largest sector of the European economy - and the one where the great majority of new jobs are created – the services sector

(Source: ECONOMIC BENEFITS OF THE SERVICES DIRECTIVE; EU-Commission; 20.5.2009)

Services are by far the largest sector in the European economy:

- They account for around 70% of GDP and total employment
- Today about only 20% of the services provided in the EU have a cross-border dimension
- Between 2000 and 2005 almost 11.5 million jobs have been created in the services sector

The implementation of the Directive is therefore seen as a cornerstone of the structural reforms that are necessary to put the EU economy back on the track of recovery

The Service Directive shall create a uniform European Market for Services

- **Reduced barriers of trade (no “unjustified or disproportionate requirements”)**
 - **Reduced administration to register in the MS of non residence (“Point of Single Contact”)** http://ec.europa.eu/internal_market/eu-go/
 - **Possibility to provide services without a permanent establishment in the host country**
 - **no duplication of *comparable* certificates & licenses**
- the stakeholders are encouraged to **define EN-standards** on how to provide services in their sector
- (Art. 26 of the Service Directive / Programming Mandate M/371)

The Service Directive will NOT change

- **Obligation of the service provider to comply with labor law, social security legislation minimal wages agreement of the “host country”**

- **Possibility of the “competent authority” of each Member States to define regulations (e.g. *license, authorization, registration*) for service providers in specific sectors as long as:**
 - the scheme is not discriminatory
 - it can be justified by an overriding reason relating to the public interest, such as public policy, public security or public health
 - the objective of the authorization cannot be attained by less restrictive means

Which activities are NOT affected ?



The Services Directive applies to services, defined as “*self-employed economic activities normally provided for remuneration*”.

Out of the huge variety of Services the European Commission has defined categories for which the Services Directive shall not apply. However if the type of service is not mentioned in the exemption, the Service Directive will apply!

Relevant examples of activities and sectors exempted from the Services Directive include under the current interpretation from the EU

- ... Healthcare services provided by health professionals; services provided by state appointed notaries... Private Security Service....

What kind of Services are covered by the Service Directive?



Covered by the Services Directive are:

..... Retail & Commerce; ... **Construction**; Services related to Industry, e.g. installation & maintenance of machines; Professional Services, e.g. Engineering, Consulting ... **installation & maintenance of equipment...**

Today the interpretation of the EU DG Market is as follows:

- ***Sale, delivery, installation and maintenance of technical fire safety & security devices, are covered by the Service Directive***

- ❑ The Service Directive is very complex to be implemented because it has an influence on many laws and regulations on national, state and local level

- ❑ Many EU Member States have taken the approach of “Omnibus-Laws”

- ❑ Interpretation & implementation varies from Member State to Member State!
 - (The EU Commission has received more the 50'000 comments!)

- ❑ The Safety and Security system seem not to be the primary focus of the EU

The implementation of the Services Directive may be slow -
but the EU will persist !

What's next ?



- ❑ The EU Commission will publish in June/July 2012 the next report on the status of the implementation of the Service Directive

- ❑ Recommendations to improve the implementation can be expected
(see statement of Mr. Barroso at the “Mission Growth Conference in Brussels May 29, 2012:
...” *The single market for services ins not working* “.....

- ❑ Member States which are behind with the implementation in key services sectors will be pressured to speed-up

- ❑ In the current economic crisis, the EU will do everything to exploit every possibility of grows!

Thank you !