



## PRESS RELEASE

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### Services E-Card:

### Commission's ill-conceived e-card threatens certain services sectors

**Today, strong concerns were expressed about the potential negative impact of the Commission's services e-card on certain services sectors.**

At a public hearing organised by the social partners of three sectors directly affected by the proposal – the construction, cleaning and insurance industries – the potential impact and far reaching social consequences of the proposed e-card on these sectors were examined.

As the largest component of the EU's economy, these services sectors unanimously support the freedom to provide services across the EU, provided that there is fair competition, labour protection and a well-functioning Single Market. However, it seems that the proposed services e-card could be counterproductive to these goals.

The sectoral social partners are convinced that the e-card is likely to facilitate, in their sectors, current fraud mechanisms, and even allow to create new ones, leading to bogus self-employment, undeclared work, fake posting, increased administrative burden, additional cost and the noncompliance of social and labour regulations. In addition, the insurance-related provisions would not work in practice.

What is more, both home and host Member States would have to face unrealistic deadlines for actually checking and verifying the information prior to tacit approval of the e-card. On top, host Member States would not have sufficient power and resources to properly oversee and administer the services e-card system.

There is real danger that this e-card would not lead to a fairer and more social internal market for services and, conversely, it could worsen the status quo for workers and introduce the 'home-country' principle through the backdoor.

Worryingly, the Commission proposal is only focussed on economic aspects, leaving aside the respect of labour law and consumer protection. If the concerns of the affected sectors are not addressed correctly, this proposed e-card has the potential to go against the needs and wishes of both employers and employees and, ultimately, threaten these vital sectors.

#### **BACKGROUND:**

On 10 January 2017, the European Commission published a number of legislative initiatives as part of its Single Market Strategy "Upgrading the Single Market: more opportunities for people and business COM(2015) 550 final". They include a Regulation (COM(2016) 824 final) introducing a European services e-card and a Directive (COM(2016) 823 final) on the legal and operational framework of the European services e-card.

As sectors directly targeted by the proposal, the social partners of the construction, cleaning and insurance sectors have voiced concerns about the proposal and its ability to strengthen the single market for services in a joint position paper dated 10/05/2017.



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