

Administrative cooperation through the Internal Market Information System (IMI)

2011/0226(COD) - 29/08/2011 - Legislative proposal

PURPOSE: to lay down rules on the use of the Internal Market Information System (IMI) for administrative cooperation, including the processing and exchange of personal data of EU citizens between the competent authorities of the Member States and the Commission.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

BACKGROUND: to support cooperation between the national public administrations responsible for the application of Union law, the European Commission has developed the Internal Market Information System (IMI) which is a generic, customisable administrative cooperation platform.

Freely available for use by the Member States since 2008, this system

provides more than 6 000 registered authorities in the 27 Member States and three EEA countries with a fast and secure communication channel for cross-border information exchange with their counterparts, effectively overcoming barriers due to different languages and administrative structures. IMI is currently used for the exchange of information pursuant to Directive 2005/36/EC on the recognition of professional qualifications and Directive 2006/123/EC on services in the internal market.

Cross-border administrative cooperation frequently involves processing and exchanging personal data of EU citizens. From a legal point of view, IMI operates on the basis of a Commission decision, a 'comitology' decision, and a Commission recommendation. The lack of a single legal instrument adopted by the European Parliament and the Council underlying its operations came to be seen as an obstacle to further expansion of IMI.

According to the Commission Communication "[Towards a Single Market Act](#)", extending IMI to other sectors 'with a view to creating a genuine face-to-face electronic network for European administrations' is one of the keys to promoting better governance of the single market. The Commission's communication on expanding and developing the IMI' (the [IMI Strategy Communication](#)) adopted on 21 February 2011 set out plans for future expansion of IMI to other areas of EU law. The Commission Communication "[A Single Market Act](#)" stressed the importance of IMI for strengthening cooperation among the actors involved, including at local level, thus contributing to better governance of the single market.

IMPACT ASSESSMENT: this proposal consolidates the current rules governing IMI within a single horizontal legally binding instrument. Consequently, no alternative policy options need to be considered at this stage. For this reason, no impact analysis was undertaken. Any subsequent decisions concerning the expansion of the use of IMI beyond the areas of Union law for which it is currently used will require proportionate impact assessments.

LEGAL BASIS: Article 114 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: this proposal aims at **improving the conditions for the functioning of the internal market by providing an effective and user-friendly tool** facilitating the practical implementation of provisions of Union law mandating administrative cooperation and information exchange.

The proposal for a Regulation:

- **sets down rules for the use of the IMI system** for administrative cooperation. These rules include the obligation to appoint one national IMI coordinator per Member State, the obligation on competent authorities to provide an adequate response in a timely manner and the provision that information exchanged via IMI may be used for providing evidence in the same way as similar information obtained within the same Member State;
- **lays down the basic principles for data protection in the IMI**, including the rights of data subjects, in a single legal instrument, thus increasing transparency and enhancing legal certainty.

The list of areas of Union acts currently supported by IMI is set out in Annex I, while areas of possible future expansion are listed in Annex II. The procedural and budgetary aspects aimed at facilitating future expansion of IMI are in line with the IMI Strategy Communication.

BUDGETARY IMPACT: as the use of IMI is mandatory for Member States under the Services Directive and the recently adopted Directive on the application of patients' rights in cross-border healthcare, it is necessary to ensure that IMI can continue to operate on a permanent basis. For this reason, it is proposed that the expenditure related to IMI be regrouped by bringing all costs under the same budget line managed by DG Internal Market and Services (budget line 12.02.01 Implementation and development of the Internal Market).

This proposal does not have a budgetary impact over and above what is already foreseen in the years to come in the official programming of the Commission and it is without prejudice to the decisions on the post-2013 multi-annual financial framework.

In 2010, the financing of IMI was covered by the following sources: i) ISA programme (EUR 500 000 – budget line 26.03.01.01) and ii) internal market budget lines (EUR 925 000).

For 2011-2012, the planned financing from ISA will amount to ca. EUR 1.15 million per year.

The impact on operational expenditure is estimated at **EUR 1.44 million in commitment appropriations for the year 2013**.

DELEGATED ACTS: the proposal contains provisions conferring on the Commission the right to adopt delegated acts in accordance with Article 290 of the Treaty on the Functioning of the EU.