

# The implementation, consequences and impact of the internal market legislation in force

2004/2224(INI) - 16/05/2006 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on the own-initiative report drafted by Arlene **McCARTHY (PES, UK)**, on the implementation, consequences and impact of the internal market legislation in force. Recognising that successive internal market scoreboard reports showed that transposition continues to be a serious problem in several Member States, Parliament stressed the need for a common approach to better regulation, based on a core set of regulatory principles, namely subsidiarity, proportionality, accountability, consistency, transparency and targeting. However, this approach cannot bypass the rights of social consultation and must respect the principles of participative democracy. Parliament, Council and the Commission must establish 'better regulation' task forces, to set up an interinstitutional working group to develop training, skills and quality control and to share and benchmark better regulation best practice. Parliament urged the Commission to produce a short guide to the better regulation process, outlining the key appraisal steps that should take place in the evolution, development and implementation of Community legislation including an ex-post evaluation on important issues, in cooperation with Parliament. Furthermore, all Commission proposals should be accompanied by a "Better Regulation Check List" summarising the steps through which the proposal should proceed.

Parliament asked that the Commission carry out both ex ante and ex post impact assessments on legislation to assist in identifying whether key policy objectives have been met and to assist with the regulatory review process. All legislative proposals forwarded to Parliament should include an executive summary of the impact assessment. In addition, Member States must ensure that they were not causing new implementation problems by imposing additional requirements at national level when transposing Community legislation ("gold-plating"), and confirm this by means of a formal declaration to the Commission.

Parliament wanted the Commission to establish a transparent fast-track infringement procedure for internal market test cases. The Council and the Commission should also improve monitoring of the implementation of and compliance with Community law. This would assist in improving transposition rates and the sharing of best practice between the Member States, as well as in introducing sanctions for non-compliance. Parliament also wished to be provided with a list of policy measures in which the Commission had used alternative means of regulation. It should include an evaluation of the failure or success of such means of regulation, their impact on the situation in practice – and more specifically on employees' and consumers' rights, social cohesion, fair competition, the stimulation of growth and the EU's competitive position – and on best practice, and lessons learned from the process. Alternative regulatory proposals must include clear objectives and defined deadlines for action, as well as sanctions for non-compliance.

Parliament insisted on its central role in monitoring Member States' implementation of and compliance with Community law.

Finally, it recognised the potential of the Lamfalussy process to achieve a single market in financial services, but regretted the slow progress in reaching an interinstitutional agreement which fully recognised the Parliament's role in the implementation process.