

# Procedure file

Basic information		
COS - Procedure on a strategy paper (historic)	<a href="#">1997/2095(COS)</a>	Procedure completed
Single market: Action plan		
Subject 2 Internal market, single market		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>ECON</b> Economic and Monetary Affairs, Industrial Policy		18/06/1997
		PPE <a href="#">VON WOGAU Karl</a>	
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>ENER</b> Research, Technological Development and Energy		27/05/1997
		ELDR <a href="#">PLOOIJ-VAN GORSEL Eily</a>	
	<b>JURI</b> Legal Affairs, Citizens' Rights		21/05/1997
		UPE <a href="#">FLORIO Luigi Andrea</a>	
	<b>ENVI</b> Environment, Public Health and Consumer Protection		19/06/1997
		PSE <a href="#">COLLINS Kenneth D.</a>	
	<b>LIBE</b> Civil Liberties and Internal Affairs		19/06/1997
		PPE <a href="#">MATIKAINEN-KALLSTRÖM Marjo</a>	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Competitiveness (Internal Market, Industry, Research and Space) 2079</a>		30/03/1998
	<a href="#">Competitiveness (Internal Market, Industry, Research and Space) 2051</a>		27/11/1997

Key events			
06/05/1997	Non-legislative basic document published	COM(1997)0184	
04/06/1997	Non-legislative basic document published	CSE(1997)0001	Summary
25/06/1997	Committee referral announced in Parliament		
04/11/1997	Vote in committee		Summary
04/11/1997	Committee report tabled for plenary	<a href="#">A4-0356/1997</a>	

19/11/1997	Debate in Parliament		
20/11/1997	Decision by Parliament	T4-0584/1997	Summary
20/11/1997	End of procedure in Parliament		
27/11/1997	Debate in Council	<a href="#">2051</a>	
08/12/1997	Final act published in Official Journal		
30/03/1998	Debate in Council	<a href="#">2079</a>	

### Technical information

Procedure reference	1997/2095(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 142
Stage reached in procedure	Procedure completed
Committee dossier	ECON/4/08913

### Documentation gateway

Non-legislative basic document	COM(1997)0184	06/05/1997	EC	
Economic and Social Committee: opinion, report	<a href="#">CES0606/1997</a> <a href="#">OJ C 287 22.09.1997, p. 0089</a>	29/05/1997	ESC	Summary
Non-legislative basic document	CSE(1997)0001	04/06/1997	EC	Summary
Committee report tabled for plenary, single reading	<a href="#">A4-0356/1997</a> <a href="#">OJ C 371 08.12.1997, p. 0004</a>	04/11/1997	EP	
Text adopted by Parliament, single reading	T4-0584/1997 <a href="#">OJ C 371 08.12.1997, p. 0171-0216</a>	20/11/1997	EP	Summary
Economic and Social Committee: opinion, report	<a href="#">CES0454/1998</a> <a href="#">OJ C 157 25.05.1998, p. 0045</a>	25/03/1998	ESC	
Economic and Social Committee: opinion, report	<a href="#">CES1128/1998</a> <a href="#">OJ C 407 28.12.1998, p. 0060</a>	09/09/1998	ESC	

## Single market: Action plan

The Committee congratulates the Commission on presenting the broad lines of its Action Plan for the single market just a few months after the preliminary observations in its communication of October 1996 on the single market. The Committee endorses the strategic targets identified in the Action Plan. The four areas of intervention emerge clearly from the analyses summarized in last October's communication on the impact and effectiveness of the single market, and they also strongly echo the views expressed by interest groups during the hearing organized by the Committee on the subject last March. Turning to the measures envisaged to put the rules into effect, the Committee welcomes the emphasis placed by the Commission on the active role which national governments will play in completing the legal framework to ensure better application of the rules, more rapid problem-solving and a faster response to infringements. Of particular interest is the proposal to introduce an appraisal form for each Member State which will provide a regular update on the progress of implementation of the single market. This will represent an important step towards establishing transparency in relations between the European partners, helping to underscore the consensus that each has managed to achieve in this area. ?

## Single market: Action plan

OBJECTIVE: The Commission's draft action plan is aimed at improving the performance of the single market over the coming years.

SUBSTANCE: The action plan follows the Commission's report on the impact and effectiveness of the single market (COS0502). It sets out a

number of priorities offering a clear strategic overview of the actions to be undertaken by 1 January 1999. At the present stage, four strategic targets have been defined, all of equal importance and to be pursued in parallel. 1 - Making the rules more effective. Six actions are proposed. a) putting the agreed single market legislation into force: only 65% of the single market legislation is fully operational in all fifteen Member States. The Member States will be called on to submit their detailed timetable and demonstrate their political commitment to eliminating, by 1 January 1999 at the latest, any delay in transposition. Infringement procedures will be accelerated; b) establishing a framework for enforcement and problem-solving: the Commission will press each Member State to designate a coordination centre within its administration, to be responsible for ensuring that any problems raised by other Member States or the Commission are dealt with by the authorities directly concerned, within strict deadlines. Telematic links between enforcement authorities will be developed under the second IDA programme; c) strengthening checks on products; the Commission will make legislative proposals to strengthen the common rules for market surveillance, by providing for joint inspection schemes or procedures in areas including industrial and consumer products, foodstuffs, pharmaceutical products and medical devices; d) better access for business to information: in coordination with the Euro Info Centres, the Commission will set up an Internet shop for information on all single market regulations affecting business; e) simplification of national and Community rules: the Commission will extend the programme of simplification and improvement of single market legislation (SLIM) to areas including VAT, banking, insurance and securities, fertilizers, consumer services, telecommunications, customs rules and procedures, and company law. Pilot schemes will be introduced to improve consultation procedures with business, including consultation of a European Business Test Panel on certain legislative proposals; f) tackling weaknesses in the existing legal framework: the existing single market legislation needs to be improved in the following areas: public procurement, application of mutual recognition principle, European standardization, conformity marking of products, construction products, transit rules and the environment. 2 - Removing the main factors of market distortion. Four types of action are proposed: a) adopting proposals for the modernization and more consistent application of VAT; b) restructuring of the Community framework for the taxation of energy products; c) fiscal measures: a modified directive on the taxation of saving; a directive on crossborder payments of interest and royalties; a code of conduct to tackle the harmful effects of tax competition; d) guidelines on state aids to the regions and stricter rules on rescue and restructuring aid; simplification of anti-trust rules; 3. - Removal of the sectoral obstacles to market integration. This includes: a) breaking down the barriers in service markets: adoption of a new framework directive on UCITS; reduction of restrictions on pension fund placements; approval of the liberalization of gas supply; launch of the liberalization of telecommunications and electricity; agreement on crossborder rail services and rail freight freeways; new rules on charges and allocation of slots at airports; agreement on setting up a European air safety agency and a new Eurocontrol convention; b) offering companies a favourable environment for crossborder operations: adoption of the proposal on the European company statute and proposals on the statutes of cooperatives, mutual societies and associations; adoption of the proposal for a tenth directive on company law; adoption of the proposal for a directive on late payments; c) meeting the challenge of innovation and the new technologies: adoption of measures on electronic commerce (proposals on the creation of a mechanism for transparency, copyright protection, distance selling of financial services, digital signatures, etc); adoption of the directive on the protection of biotechnological inventions; 4. - Delivering a single market for the benefit of all citizens. This includes: a) eliminating border controls: adoption of flanking measures and of three directives on the elimination of frontier controls and of restrictions on the right of free movement and the right to travel. b) reform of the right to reside and remain in another Member State; c) protection of social rights: consultation of the social partners on the information and consultation of workers; d) promotion of labour mobility within the Union; adoption of the directive on supplementary pensions; improvement and greater use of the EURES labour market database; e) consumer rights and health protection: adoption of the directive on the sale of consumer goods and related guarantees; f) dialogue with the public: creation of a permanent mechanism for dialogue with the public and informing citizens of their rights.

## Single market: Action plan

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The Committee adopted a report drawn up by its Chairman Mr Karl von WOGAU (EPP, D) on the Commission's proposed Action Plan to complete the Internal Markets. The Committee supported the plan, which it hoped will help transform the internal market into a true European home market by the year 2002. In particular, the Committee considered it crucial that the necessary preconditions are created so that free movement of persons and the definitive abolition of passport controls between Member States can be realised. In the field of taxation, the Committee supported the gradual introduction of a new system of VAT based on the principle of country of origin. It further called for the establishment of common principles regarding taxation of capital based on an OECD agreement, measures for cross-border taxation of companies as well as a reduction of taxation on labour. Another crucial requirement for the functioning of the internal market is, according to the report, an effective infrastructure. The Committee called for TENs to be developed in the sectors of high speed rail, telecommunications and energy. While standards are key tools for removing market obstacles, the Committee feels that current structures must be improved, for example by merging the three European standardisation institutes into a single European standards body. Other areas where the Committee called for action are the simplification and clarification of legislation and the improved protection of intellectual property. The legislative framework must be further developed in the field of Company Law, first and foremost by the adoption of the European Company Statute and by other means of making it easier to set up companies across borders. Finally, the Committee underlined that a European home market also requires a common currency and an economic policy based on the principles of an ecologically sound and socially acceptable market economy.

## Single market: Action plan

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In adopting the report by Mr Karl von WOGAU (PPE, D), the European Parliament is lending its support to the Commission's action plan and hopes that it will lead to a genuine single market by the year 2002. It attaches particular importance to creating the preconditions for the realization of free movement of persons and the definitive abolition of passport controls between Member States. In the field of taxation, Parliament calls for: a reduction of the burden of taxation on labour; a plan for the phased introduction of the country of origin principle up to the year 2002; proposals designed to eliminate the inadequacies of the present VAT system; introduction of a lower rate of VAT for labour-intensive SMEs; approximation of excise rates; proposals for the elimination of double taxation of frontier workers; elimination of tax havens; common principles regarding taxation of capital. Parliament also considers that an efficiently functioning infrastructure is a fundamental requirement of the home market. In particular, it calls for the development of high-speed rail networks, liberalization of speech telephony services as planned, development of satellite communications, promotion of new renewable forms of energy, and development of the pipeline network. Parliament stresses the importance of standardization as an instrument of industrial policy and considers it necessary to improve present structures, in particular by amalgamating the three European standardization bodies. It also calls for the simplification and clarification of legislation and better protection of intellectual property. Dialogue with and information for the citizen must also be intensified. On the subject of company law, the legal framework must be developed, in particular by adopting the European Company Statute and other

measures to facilitate the cross-border movement of companies. Special attention should be devoted to the way in which SMEs can participate in internal market. Finally, Parliament reaffirms its view that a single market requires a single European currency and an economic policy based on the principles of an ecological and social market economy. ?