



HEADLINE

EU/Single Market: Commission proposes new Services Package to boost growth and jobs

On 10 January 2017 the European Commission published a Services Package aimed at impacting on the services sector, which counts for the 70% of the EU GDP and 90% of jobs. The package foresees a set of proposals that will help service providers to work cross-border, thus reducing administrative and compliance costs for businesses, especially SMEs, lowering prices and giving a wider choice to consumers. The proposal for a European Services e-Card, through its fully electronic and multilingual procedure indeed aims at reaching this goal. The other two proposals, concern a binding proportionality test to be taken by MS before proposing new rules at the national level on professional services and an improved notification procedure. It further envisages guidelines for national reforms in the regulation of professions, offering guidance to MS for the opening up of legal, architectural and engineering professions which have a high growth potential for the economy.

For more information on the services package, please click [here](#).

IN BRIEF

EU/Maltese Presidency: EU's Smallest Member State takes the Rotating Presidency

On 1 January 2017, faced with challenges ranging from populists from both the political spectra, to the Brexit and a set of elections in 2017, Malta, the EU's smallest Member State took the EU rotating Presidency. The rotating Presidency, is divided into a trio of Member States who rotate the position every 6 months, for 18 months, thus ensuring an agreed form of continuity in the trio's agenda. Inspired by the will to restore trust in the Union and its institutions, the Maltese Presidency's priorities are migration, the Single Market, security, social inclusion, the European neighbourhood and the maritime sector. Malta will be at the centre for the next 6-months as the Brexit negotiations are set to begin, in March, where the island nation will seek to return the citizen to the heart of the European project.

For more information on the Maltese Presidency Priorities, please click [here](#).

EU/Labour regulation: France to require posted workers to have a professional card in order to fight posting fraud

On 4 January 2017, French Prime Minister Bernard Cazeneuve and Labour Minister Myriam El Khomri handed the first professional card issued to a posted worker in Bretagne. Following Macron's 2015 economic reform bills, starting in February 2017, posted workers in France will be required to have a professional card carrying a photo, personal and employer information, and a unique bar code that can be read by inspectors using a mobile application. The goal of the reform is increased worker protection and defence of the French social model, according to the French Prime Minister. The cards are set to be issued for more than 2 500 000 workers. This development comes as at the European level talks continue in the Parliament and Council towards the adoption of a revision of the Directive on the Posting of Workers. The EP's opinion is set to be voted in plenary in April, but at the moment it looks unlikely that Member States will reach consensus soon, as the proposal has caused a major rift between East and West European states since its release in March 2016, and had to go through a Yellow Card procedure in the summer of 2016, when the Commission decided to uphold it as it is.

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For more information on the Posting of Workers, please click [here](#).

EU/Digital: Commission proposes strengthened ePrivacy rules.

On 10 January 2017, the Commission submitted its Proposal for the REFIT of the ePrivacy Directive. This new Proposal will target Over-The-Top (OTTs) communications services, which will now be covered by the regulations on Telecom. Moreover, the Proposal will tackle the “cookie banner”, instead of having this banner appearing on almost every website, users will now have the possibility to set general privacy preferences putting an end to the overload of cookie banners. The Commission called on the Parliament and the Council for a swift adoption of its proposal, hoping for the legislative procedures to be completed by 25 May 2018.

For more information on Digital Privacy, please click [here](#).

EU/Business: Uncertainty in the political sphere causes forecasts of cautious outlooks for business in 2017

On 11 January 2017, the first “Small Firms Outlook 2017” survey carried out by the Irish Small Firms Association (SFA), showed that business owners and managers are less positive about the business environment as we enter into the new year. While mid-2016 results showed 66% of them feeling that the business environment is improving, this number has now dropped to 50%. Specific sectoral opportunities, new products and new branding and marketing campaigns, as well as exports were among the factors presenting biggest opportunities for small businesses in 2017. Brexit and the newly elected American president, as well as cashflow issues and inflation were seen as major areas of concern for business owners, on the other hand.

For more information on small business trends for 2017, please click [here](#).

PUBLICATIONS

ECIPE: Internal Data Flows in the EU

In December the European Centre for international political economy published the study Unleashing Internal Data Flows in the EU: An Economic Assessment of Data Localisation Measures in the EU Member States. This report studies the consequences of restrictions on storage data and the possible gains for free storage of data. If data can be stored and processed anywhere within the EU, the move would boost the productivity and competitiveness for companies.

To access this publication, please click [here](#).

OPEN: flaws of the digital single market

On 8 January 2017, the Open Political Economy Network (OPEN) wrote a report called How to fix the flaws in the EU’s Digital Single Market. For them the real barriers to trade lay offline in the absence to liberalise sectors that are crucial for digitalisation. The crucial sectors mentioned in the report are retail, telecoms, payments and transport services. Stated in their paper the DSM strategy does nothing to tackle offline barriers to competition while it imposes new ones online.

To access this publication, please click [here](#).

Eurostat: Employment rate in EU up

On 13 December, Eurostat published the news release Employment up by 0.2% in both euro area and EU28. In this release they give an oversight of the employment rates throughout the EU and the

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countries that scored the best. The employment rate going up again is a good signal for the economy of the EU and may augment confidence with employers and employees.

To access the news release, please click [here](#).

CONSULTATIONS

The REACH REFIT Evaluation (REACH Review 2017)

DEADLINE: 28/01/2017

The REACH REFIT evaluation (REACH Review 2017) will build on the findings of the first REACH Review (published in 2013) and examine key developments since then. The REACH REFIT evaluation (REACH review 2017), is carried out in line with the principles of Better Regulation and will cover the five compulsory evaluation criteria: effectiveness, efficiency, relevance, coherence and EU added value. A public consultation is planned to obtain stakeholders' views on the approach to the evaluation and collect any potentially missing elements. Furthermore, a specific consultation on SME relevant issues will be carried out through the Europe Enterprise Network (EEN).

To access this consultation, please click [here](#).

Public consultation on the functioning of mutual assistance between EU Member States for the recovery of taxes

DEADLINE: 08/03/2017

The competence of tax authorities is limited to their national territory. They cannot take recovery actions in other countries, although tax debtors may have moved to another country or may dispose of assets in other countries. Therefore, the EU has adopted legislation which allows the EU Member States to provide mutual assistance to each other, for the recovery of their taxes. The European Commission is currently undertaking an evaluation of this legislation, as announced in its Action Plan on value added tax (VAT). This public consultation seeks the opinion of persons confronted with such recovery assistance procedures and other stakeholders.

To access this consultation, please click [here](#).

Public consultation on the special scheme for small enterprises under the VAT Directive

DEADLINE: 20/03/2017

This consultation aims at obtaining the views of stakeholders on: (i) the current VAT provisions for SMEs and their application; and (ii) possible changes as regards the VAT provisions for SMEs. Its results will feed into the review of the SME scheme.

To access this consultation, please click [here](#).

Public Consultation on the reform of VAT rates

DEADLINE: 20/03/2017

This Open Public consultation aims at obtaining stakeholders views' on the following aspects: (i) The need for EU action in the field of VAT rates; (ii) The proper balance between harmonisation and Member States autonomy in setting VAT rates; (iii) The problems and risks linked to differentiation of VAT rates within the Single Market; (iv) The desirable direction for reform; (v) Stakeholders' views on the proposed policy options.

To access this consultation, please click [here](#).

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Public Consultation on the Definitive VAT system for Business to Business (B2B) intra-EU transactions on goods

DEADLINE: 20/03/2017

This consultation aims at obtaining the views of stakeholders on: (i) The current VAT situation of B2B intra-EU supplies of goods; (ii) Possible short term improvements of the current transitional VAT system; (iii) The need to move towards the definitive VAT system based on the principle of taxation of the supply in the Member State of destination.

To access this consultation, please click [here](#).

Public consultation on Building the European data economy

DEADLINE: 26/04/2017

This public consultation will be used to shape the future policy agenda on the European data economy. The consultation tries to collect information on the trading of non-personal data, the effects of the local storage of data, the nature of barriers to this data and ways how to tackle these barriers.

To access this consultation, please click [here](#).

Public consultation on the rules on liability of the producer for damage caused by a defective product

DEADLINE: 26/04/2017

This public consultation aims to collect feedback on the application and performance of the Directive on liability for defective products (Directive 85/374/EEC). This directive guarantees the liability of the producer in the event of damage caused by malfunctioning products. The results of the public consultation will provide evidence to assess the extent to which the provisions of the Directive have been effective and efficient.

To access this consultation, please click [here](#).

COMING-UP

EU Institutions: Important Dates

16 January 2017: Foreign Affairs Council

16 January 2017: Coreper II

19 January 2017: Coreper II

20 January 2017: Coreper I

23-24 January 2017: Informal meeting of the General Affairs Council

25 January 2017: Coreper I

25 January 2017: Coreper II

26-27 January 2017: Informal meeting of the justice and home affairs ministers

26 January 2017: Eurogroup

27 January 2017: Economic and Financial Affairs Council

27 January 2017: Coreper I

16-19 January 2017: European Parliament Plenary Session

23-26 January 2017: European Parliament Committee Meetings

Debt Restructuring Through Better Insolvency Standards

18/01/2017, Brussels

On 18 January 2017, Bruegel will be hosting an event in their Brussels offices on legal and economic reform in the EU insolvency system. The event will analyse four key areas; whether legal obstacles have held-back debt reduction and corporate sector growth, whether the EU's different legal systems

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are amenable to a common European system, whether the implementation of such norms would allow for greater cross-border trade and investment, and finally how can banks support debt reduction?

To find out more about this event, please click [here](#).

EU SMEs in Global Value Chains

24/01/2017, Aveiro, Portugal

On 24 January 2017, there will be a workshop taking place for SMEs on global value chains (GVCs). Hosted by the European Commission in Aveiro, Portugal, this workshop aims to show the reality of global value chains and their effects on SMEs who participate in them, several international studies having already concluded the beneficial effects GVC participation has on SMEs.

To find out more about this event, please click [here](#).

The Future of EU Trade Policy

24/01/2017, Brussels

On 24 January 2017, Bruegel will be welcoming the EU Commissioner for Trade, Cecilia Malmström. The Commissioner will discuss EU trade policy in light of events over the past year, such as; the EU-Canada FTA (CETA), the election of Donald Trump and its effects on TTIP negotiations, and the Commission's 11 November 2016 anti-dumping methodology proposal.

To find out more about this event, please click [here](#).