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NOTE

From: General Secretariat of the Council
On: 7 May 2026
To: Delegations

Subject: Presentation by the European Court of Auditors (agenda item 4.) at the Working Party on Competitiveness and Growth (Internal Market) on 5 May 2026

Delegations will find attached a presentation by the European Court of Auditors (ECA), with a view to the discussion by the Working Party on Competitiveness and Growth (Internal Market) at its meeting on 5 May 2026.

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5 May 2026

Special Report N°13/2026:

Single market for services

Commission action to remove barriers to cross-border services still insufficient



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Why did we do this audit?

02

What did we look at?

03

What did we find?

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What do we recommend?

01

Why did we do this audit



02

What did we look at?

With a focus on Directive 2006/123/EC (the “Services Directive”) we examined whether the Commission has:

established a clear and comprehensive approach to strengthen the single market in services

enforced the single market rules for services successfully

ensured that the tools to facilitate cross-border services were effective

monitored the service integration into the single market and assessed its costs, benefits and impact of the Services Directive in the main economic sectors



03

What did we find? (1)

The Commission's actions to removing barriers to services in the single market lacked clear objectives, focus on economic impact and strategic ambition

- | Until 2025, the Commission had no procedure in place for appropriately classifying and targeting its actions on the barriers with the biggest potential impact on the effective functioning of the single market
- | The **Commission's 2025 strategy for the single market** places greater emphasis on services and political ownership for change but it relies largely on tools that, based on past experiences, are unlikely to be highly effective
- | European Semester country-specific recommendations (CSRs) to encourage regulatory reform in services sectors had a very limited effect
- | Very few member states used the Recovery and Resilience Facility (RRF) to reform services sectors and remove regulatory barriers

03

What did we find? (2)

The Commission's enforcement of single market rules for services faced significant challenges

- | Key terms in the single market rules were not always clear resulting in legal uncertainty for businesses
- | There are significant gaps in the notification of new barriers to the Commission making it largely ineffective
- | Some member states delayed the implementation of the Services Directive
- | The Commission's processing of complaints regarding infringements of rules related to services had weaknesses and could particularly disadvantage smaller businesses

03

What did we find? (3)

The tools used by the Commission and member states to facilitate cross-border services were largely ineffective

The **points of single contact** do not yet fulfil their role as intended by the Services Directive

Businesses rarely used **SOLVIT** for resolving legal issues arising from cross-border services

The single market enforcement task force achieved **limited tangible results for services**

03

What did we find? (4)

Costs, benefits and potential impact of further service market integration are not yet sufficiently assessed



The EU single market for services is comparatively integrated, but many barriers are left



The Commission's key performance indicators for the single market provide insufficient information on services



The Commission has not yet carried out a comprehensive evaluation of the costs and benefits of integrating the single market for services

We made five recommendations to the Commission:

- 1 A clearer and more ambitious strategy for the single market for services

- 2 More active use of the European Semester process and funding conditionalities to tackle key barriers to cross-border services

- 3 Clarify legislation and focus enforcement on cases with considerable impact on the single market

- 4 Reinforce existing tools for facilitation of cross-border services

- 5 Monitor and evaluate the progress in completing the single market for services



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