What are the Professional Services?

SERVICES SECTORAL CLASSIFICATION LIST (W120)

**SECTORS AND SUB-SECTORS**

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**ESF MEMBERS FROM THE PROFESSIONAL SERVICES SECTORS**

**PROFESSIONAL SERVICES – LAWYERS (3)**
- Clifford Chance [www.cliffordchance.com](http://www.cliffordchance.com)
- Conseil des barreaux de la Communauté Européenne – CCBE [www.ccbbe.org](http://www.ccbbe.org)
- The Law Society of England and Wales [www.lawsociety.org.uk](http://www.lawsociety.org.uk)

**PROFESSIONAL SERVICES – ACCOUNTANTS (3)**
- Ernst & Young [www.ey.com](http://www.ey.com)
- KPMG [www.kpmg.com](http://www.kpmg.com)
- Fédération des Experts Comptables Européens – FEE [www.fee.be](http://www.fee.be)

**PROFESSIONAL SERVICES – ARCHITECTS (1)**
- Architects’ Council of Europe – ACE [www.ace-cee.org](http://www.ace-cee.org)

**PROFESSIONAL SERVICES – OTHERS (5)**
- Conference des Notariats de l’Union Européenne – CNE [www.cnue.be](http://www.cnue.be)
- Bundesverband des Freien Berufe – BFB (German Federation of Liberal Professionals) [www.freiberufe.de](http://www.freiberufe.de)
- Confédération Fiscale Européenne (CFE) [www.cfe-eutos.org](http://www.cfe-eutos.org)
- Zenit Trägerverein e. v. [www.zenit.de](http://www.zenit.de)

**State of play of negotiations**

- To provide Professional services, one need first Market Access!
- Very low level of commitments in Professional services in general, in quantity and in quality during the Uruguay Round, as well as in the on-going DDA GATS Negotiations:
  - **Legal Services**: UR= 38/140, Accession= 21/34 (incl. 4 new EU); incl. 15 ACP – DDA: 22/153 (22/69 Initial & Revised Offers – EU=1).
  - **Accounting**: UR= 46; Acc.= 24; DDA=29
  - **Architectural**: UR=39; Acc.=22; DDA=28
  - **Engineering**: UR=45; Acc.= 28; DDA=29

**The need of Mutual Recognition Agreements (MRA) on Qualifications & Diplomas**

- To provide professional services, in addition of the access to the market, one need the recognition of the qualifications
- The EU has adopted in 2006, in its single market, a directive on the recognition of professional qualifications and diplomas (2005/36/EC into force since Oct. 2007)
- The Commission/DG Trade has got a mandate to negotiate, on a pilot phase basis, Mutual Recognition Agreement, in the area of architectural services
- The private sector association (ACE) has already signed agreement between professions with their counterpart in Mexico and USA, and are working with Canada, Korea and India.
- Official negotiations have now started between EU and Mexico to transform the private sector agreement into an official international treaty.

**The main barriers to Professional services providers in exporting or establishing abroad are:**
- Commercial presence or Residency requirement, preventing Mode 1 (Cross Border)
- Restriction on the legal forms (preventing partnership)
- Obligation to incorporate local existing firms (joint-ventures)
- Restriction on the scope of services provided, limited to foreign law, international contract, etc.
- Limitations on capital ownership
- Long and burdensome administrative procedures
- Lack of transparency in domestic regulation on:
  - Licensing requirements, Qualification requirements, etc.
EU Internal Legislative Proposals To improve temporary entry of third country nationals into the EU

ESF and BUSINESSEUROPE welcomes the European Commission’s two legislative proposals dated 23 October 2007 (still in the pipeline – Final text expected in 2009 – implementation in 2011, but not to UK, Ireland and DK):

1. A directive on the admission of highly qualified immigrant workers (the “blue card” proposal).
   - Good to improve legal migration, but potential difficulty with minimum salary requirement (3x existing minimum wage !)
2. A directive on a single application procedure for a single work/residence permit and a common set of rights.

EU current WTO DDA Offer on Mode 4

Preliminary provisions and conditions:
1. EC Directives on Mutual Recognition of Diplomas and of Qualifications do not apply automatically to national of third countries = hence the importance of MRAs
2. All EC and EU Member States’ laws and regulations regarding entry & stay (i.e. visas), work (i.e. work permits) and social security measures (minimum wages, collective agreements, etc.) shall continue to apply.

Categories of Natural Persons Covered under Mode 4:
1. Intra-Corporate Transfers (ICT)
   - 1. Managers
   - 2. Specialists
   - 3. Graduate Trainees
2. Business Visitors (BV)
3. Contract Service Suppliers (CSS)
   - Employees of Juridical Persons
4. Independent Professionals (IP)

Conditions For ITC in the EU (DDA Offer):
- The natural person must work within the juridical person for at least 1 Year
- The natural person is transferred temporarily in the context of the provision of a service through a commercial presence in the territory
- No Economic Needs Tests
- No limit, no quota
- Entry and Stay limited to a max of 3 Years for Managers and Specialist (LV: 5Y; EE: 3 + 2; LT: Managers can be extended) and 1 Year for Trainees

Conditions for the Contract Service Suppliers (CSS) (1)
1. The person is employed by a company (juridical person) that has no commercial presence in the EU
2. The juridical person has obtained a service contract for a period of max. 12 months from a final consumer (juridical person?)
3. The person should work for the company for at least one year before the contract
4. The person must posses
   - a university degree or technical qualification required (18),
   - the professional qualification when required
   - At least 3 years of professional experience in the sector

(1) Where the degree or qualification has been obtained in a third country, the EU Member State concerned may evaluate whether this is equivalent to a university degree required in that Member State.)
6. Commitments are subject to the application of a Numerical Ceiling (i.e. a quota) to be determined

5. Management consulting services & Services related to management services

9. Management consulting services

10. Services related to management services

7. Research and development services

5. Engineering services, integrated engineering services

6. Computer and related services

8. Advertising

9. Management consulting services

10. Services related to management services

6. Commitments are subject to the application of a Numerical Ceiling (i.e. a quota) to be determined

5. For 12 new EU Member States: Transition period: 01/01/2011

### Conditions for the Independent Professionals (IP) (1)

1. The person is self-employed in a non EU country

2. The person has obtained a service contract (but not through an agency) for a period of max. 12 months from a final consumer (juridical person?)

3. The person must posses

   1. a university degree or technical qualification required,
   2. the professional qualification when required
   3. At least 5 years of professional experience in the sector

4. The commitment relates only to the activity related to the contract (i.e. not right to stay longer)

5. Temporary Entry and Stay for max of 6 months in any 12 months period, or for the duration of the contract, whatever is less.

### Education Services in the European Union

- The European Union Institutions are not competent in taking decision on education policy. The EU Member States have kept that field in their sphere of competence.
- However, there are many aspects that are dealt with at European level, and many programmes exists to facilitate the circulation of education services (movement of students, movement of teachers, grants, ERASMUS, etc.).
- Also, primary, secondary and post secondary education establishment (universities, faculties, MBAs, etc.) can establish themselves in the other EU countries, but must apply the national laws of the host country.

### What are we talking about?

**CPC Chapter 5. EDUCATIONAL SERVICES**

- **A. Primary education services**

- **B. Secondary education services**

- **C. Higher education services**

- **D. Adult education**

- **E. Other education services**

### “Non EU” Education services providers in the EU

- The EU has a very open market, with most countries having fully open commitments in the four modes (except some New Members – enlargement transitional period).
- Some countries apply a condition of nationality for managers or professors.
THANK YOU FOR YOUR ATTENTION!

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