



## Europe at a crossroads: will the single market be completed?

Nicolas Schaeffer, DAV Brussels ([Anwaltsblatt 2020,277](#))

The European Commission wants to take the single market to the next level – with repercussions on the debate about legal tech in Germany

“Europe stands at the crossroads. We either go ahead – with resolution and determination – or we drop back into mediocrity.” This quote could perfectly well be applied to the current political challenges facing the European Union. In fact, it comes from an EU white paper from 1985. In it, Jacques Delors’ Commission presented a detailed, 282-point legislative plan; its goal was the completion of the single market.

With this programme, Delors initiated an important step towards deeper integration of the European Union. It is now being explicitly referenced in a communication of the Commission from March 10th, bearing the title “Identifying and addressing barriers to the Single Market”. Will this, however, unleash political momentum similar to that of 1985?

Unsurprisingly, in the communication, the Commission states that there is potential for further development of the single market. In a similar vein to the its services package of early January 2017, restrictions on access to and exercise of professions, including legal professions, are identified (e.g. reserved activities; restrictions on advertising, legal form or shareholdings; prohibitions on the joint exercise of professions; or insurance requirements). In a working document accompanying the communication, the Commission states that “Restrictive regulation, notably a broad range of activities reserved to lawyers, may prevent (cross-border) start-ups, especially in innovative services such as ‘legal tech’”. This conclusively shows that the current discussion in Germany concerning the regulation of ‘legal tech’ in the Legal Services Act (German: Rechtsdienstleistungsgesetz, RDG) has a European dimension.

How does the Commission now intend to reduce barriers to the single market? Enforcement will play a key role; this is addressed in a second Commission communication of 10 March 2020. The handbook on the implementation of the Services Directive will be updated, as will the Commission’s reform recommendations for the regulation of professional services. With the directive being implemented through a proportionality test, the European Commission wants to influence legislation before national professional laws are adopted. Nevertheless, in its 2020 country report for Germany within the framework of the European Semester, the Commission recognises that the BRAO reform is an effort towards a deeper single market.

The two Communications may not have the same political thrust as the 1985 White Paper, but they are to be seen in the context of the major steps the EU intends to take in the field of artificial intelligence and digital services in the coming years.