EUROPEAN
COMMISSION

Strasbourg, 15.9.2026
SWD(2026) 996 final

COMMISSION STAFF WORKING DOCUMENT

IMPACT ASSESSMENT REPORT

Accompanying the document

Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Directive 2005/36/EC as regards the digitalisation of procedures and recognition of professional qualifications issued outside the Union and Regulation (EU) No 1024/2012

{COM(2026) 995 final} - {SEC(2026) 995 final} - {SWD(2026) 995 final} - {SWD(2026) 997 final}

Action 2 – Skills Portability Initiative

Table of Contents

Glossary

Term or acronym	Meaning or definition
ACs	Assistance Centres
CA	Competent Authorities
CTFs	Common Training Frameworks
ECA	European Court of Auditors
EDRS	European Digital Recognition System
EPC	European Professional Card
EQF	European Qualifications Framework
GoC	Group of Coordinators on professional qualifications
IA	Impact Assessment
IMI	Internal Market Information system
MS	Member State(s)
PO	Policy Option
PQD	Professional Qualifications Directive
PSCs	Points of Single Contact
RegProf	Regulated Professions Database
SPI	Skills Portability Initiative
SMEs	Small and medium-sized enterprises
TCN	Third-country nationals

1. INTRODUCTION: POLITICAL AND LEGAL CONTEXT

1.1. Overall context of the Skills Portability Initiative and the Fair Labour Mobility package

While the EU's labour market has reached **record-high employment levels** and shown remarkable resilience in the post-pandemic era,[1] its strong performance masks a structural challenge: **widespread skilled labour shortages** that threaten business growth and the EU's global competitiveness.[2]

As underlined in the **Competitiveness Compass**, critical sectors – ranging from healthcare and ICT to construction and transport – struggle to find the talent they need to scale up and drive the twin transitions. These shortages are structural, not cyclical, and expected to worsen due to demographics and evolving demand for new skills and occupations.[3] They are not evenly distributed across the economy and **most acutely felt by Small and Medium-sized Enterprise (SMEs)**, which have fewer resources to navigate complex recruitment channels[4]. Labour and skills gaps also threaten the delivery of essential public services like healthcare, education and long-term care.[5]

Paradoxically, the EU also suffers from **'skills waste'. Overqualification and the underutilisation of skills** remain structural features of the labour market. This mismatch is significantly more pronounced among EU mobile workers and third-country nationals (TCN)[6].

[1] The employment rate for people aged 20-64 equalled 76.3% in the Q1 of 2026.

[2] With minor fluctuations, labour market slack in the EU has been decreasing steadily from 18.6% in 2015 to 10.9% in Q1 2026 while the job vacancy rate in the EU stood at 2.0% in Q4 2025. While this represents a slight dip from previous peaks, it signals an enduring difficulty for employers to find the right talent to sustain growth. Structural factors, such as demographic change and skills demands from the twin transition, as well as poor working conditions in some sectors are likely to sustain shortages in the foreseeable future.

[3] The EU's working-age population is projected to shrink from 265 million in 2022 to 258 million by 2030 (ESDE 2023, based on Eurostat EUROPOP2023 projections), while job vacancy rates have more than doubled over the past decade. Cedefop's skills forecast to 2035 further confirms that in key shortage sectors — health, care and construction — shortages stem primarily from replacement demand.

[4] 51% EU firms reported that the scarcity of skilled workers was a major barrier to investment in 2024 – up from 38% in 2016. EIB 2024/2025. A 2026 Eurobarometer survey shows that 46% of SMEs are finding it difficult or very difficult to finding staff with the right skills over the past 24 months. For SMEs, the inability to recruit has immediate consequences. In an earlier survey, 48% of them reported that shortages lead to an increased workload for existing staff, directly impacting productivity and the ability to innovate.

[5] According to the OECD, in 2022, the EU faced a shortfall of 1.2 million health professionals, with shortages reported by 20 MS for doctors and 15 for nurses. The crisis is driven by an ageing population increasing demand while over one-third of doctors and a quarter of nurses approach retirement. This trend is expected to worsen, causing a projected shortfall of around 2 million health and long-term care workers by 2030, with demand continuing to grow thereafter due to ageing populations. Cf. OECD (2024) and European Commission (2021).

[6] In 2024, there were 14 million European citizens living in another EU MS, of which 10.1 million of working age. In addition, there were 1.9 million cross-border commuters. In 2024, 12.8 million non-EU citizens were employed in the EU in 2025. Cf. European Commission (2026), Eurostat LFS 2025. The overqualification rate among EU workers employed in their own country stood at 20.8% in 2023. For mobile EU-citizens and TCN the equivalent rate equalled 31.4% and 39.8% respectively. Eurostat LFS, lfsa_eoqgan.

Uncertainty about whether **qualifications and skills** will be **fully understood, valued, and formally recognised** (in the case of regulated professions[7]) **in another MS**, may discourage professionals from seeking employment opportunities outside their MS.[8] It can also deter companies, especially SMEs, from tapping into the potential pool of talent of the Single Market.

Beyond economic efficiency, **skills portability** is a prerequisite for exercising the fundamental rights enshrined in the Treaties, including the **right to free movement (Article 21 TFEU), the freedom of movement for workers (Article 45)** and the **freedom of establishment (Article 49 TFEU).** While individual decisions on relocating to another EU MS depend on many factors, limited skills portability contributes to difficulties that many citizens experience when exercising these rights**.** In border regions, skills-related barriers to mobility limit job opportunities in neighbouring countries which could be accessed without the need for relocation[9]. Improving skills portability across borders thus also contributes to the 'right to stay'.

Against this background, the so-called **Letta report on the Single Market** to the European Council highlighted that: "*Free movement of people has been and remains the least developed of the four freedoms."* It also stressed that fragmented national labour markets hinder European growth and competitiveness and that *"extending the system of automatic recognition of professional qualifications and reviewing the need for and extent of professional regulation would facilitate mobility and help to respond to persistent labour shortages."* [10] The **European Council** underlined the need for decisive and swift action in the area of skills as a key competitiveness driver, referring to *"reskilling/upskilling and lifelong learning, tackling skills and labour gaps in the context of wider demographic trends, including talent mobility to and within the European Union, and ensuring equal opportunities."*[11]

In response, the **Political Guidelines of Commission President von der Leyen**, committed to a "*Skills Portability Initiative to ensure a skill acquired in one country is recognised in another.*"[12] They also underscored the need to *"support Member States and companies with legal migration based on the skills needs of our economies and our regions"* and to *"make it easier to attract the right talent with harmonised rules on the recognition of qualifications."* In March 2025, the **European Commission Communication on the Union of Skills** followed up on this commitment, announcing a *"Skills Portability Initiative to open up more opportunities for workers and businesses to fully capture the potential of the single market."*[13] The **Single Market Strategy** further highlighted that lengthy and complex recognition

[7] Regulated professions are the focus of Action 2 of the Skills Portability Initiative; the definition of the concept and its practical scope are explained in the accompanying IA.
[8] In a recent Eurobarometer 18% of respondents indicated an interest in working abroad, higher than the actual number of mobile workers. Cf. European Commission (2022).
[9] ITEM study on challenges and solutions for recognising professional qualifications in cross-border regions.
[10] Letta (2024).
[11] EUCO 12/24.
[12] Von der Leyen (2024).
[13] COM (2025) 90 final.

procedures hinder mobility and labour market functioning, and that TCN face particularly significant barriers, identifying **digitalisation and procedural simplification** as key levers.[14]

At its meeting on 19 March 2026, the **European Council** urged swifter action, calling for measures to *"enhance free movement of workers by improving mutual recognition of professional qualifications and strengthening the portability of qualifications and skills across national borders, including through digitalisation and interoperability, on the basis of a Commission proposal to be presented by autumn 2026.*"[15] On 24 April 2026, the European institutions agreed on a roadmap to achieve **'One Europe, One Market'** to strengthen Europe's competitiveness, with a commitment for concrete actions and targets for agreements by end of 2027. The Skills Portability Initiative is one of the **priority deliverables to contribute to a more integrated Single Market**.[16]

This political direction is supported by the broader institutional landscape. The **European Economic and Social Committee** has called for further discussions among governments, social partners, and stakeholders to consider expanding the list of automatically recognised regulated professions and creating common training frameworks under Directive 2005/36/EC, addressing barriers to its implementation.[17] The **Committee of the Regions** has highlighted the importance of enhancing the portability and recognition of qualifications across the EU, which are essential for fostering labour mobility, combating brain drain and fully harnessing the Single Market and talent within regional economies.[18]

As part of the **Fair Labour Mobility package**[19], the Skills Portability Initiative aims to empower European businesses to recruit the skilled labour force they need to remain competitive in the global economy, effectively safeguard the right to free movement and allow talent to flow seamlessly to where it adds most value. By simplifying and improving the transparency of recognition, and validation, the initiative strengthens coherence between migration pathways, labour market needs and skills systems; supporting improved labour market matching, enhanced productivity and reduced skills underutilisation across the EU.

The initiative aligns with the **2030 Agenda for Sustainable Development**, in particular SDG 8 (Decent work and economic growth), SDG 9 (Industry, innovation and infrastructure), SDG 10 (Reduced inequalities) and SDG 1 (No poverty).

1.2. Coherence of the package

Underemployment, overqualification and 'skills waste' stem inter alia from **imperfect information** and **regulatory or administrative barriers to free movement.** Mobile professionals struggle to valorise the qualification and skills they acquired abroad because labour market actors find it relatively more difficult to interpret and verify non-national

[14] COM (2025) 500 final.
[15] European Council meeting (19 March 2026) – Conclusions
[16] One Europe, One Market Roadmap of the European Parliament, the Council of the European Union and the European Commission
[17] SOC/837-EESC-2025
[18] CDR-1105-2025
[19] For more context, see CWP 2026 Commission work programme 2026 - European Commission.

credentials. This puts qualifications and skills acquired in a non-national context at a disadvantage. The Skills Portability Initiative aims to address these barriers through a set of **three distinct but interrelated actions**:

Action 1: Removing barriers to workers' mobility in non-regulated professions and improving availability of verifiable, secure, digitalised and interoperable information on qualifications and skills.

The **first work strand** of this action looks at the remaining barriers related to qualifications and skills in non-regulated professions, which constitute 78% of EU labour force. In non-regulated professions, uncertainty about how to treat qualifications obtained in another MS leads employers to request comparisons with national qualifications even though these are not legally required. These processes are often costly and time-consuming. Action 1 aims to improve clarity and thus avoid time consuming case-by-case assessments and bring simplification for employers and workers. The **second work strand** tackles the information gap across MS, with the aim of facilitating access to both regulated and non-regulated professions and any other use of qualifications and skills in the labour market. It aims to make all qualifications instantly understandable and verifiable for labour market actors across the Single Market by building on existing tools and setting common standards for digital credentials to be interoperable, secure, machine-readable, and allow for instant verification of authenticity and learning outcomes (knowledge, skills), thereby reducing the 'interpretative burden' on hiring managers, and prevent further fragmentation between MS resulting from uncoordinated investments in digitalisation. Action 1 is based on Article 46 TFEU.

Action 2: Targeted Intervention for Regulated Professions

The second action focuses specifically on improving cross-border recognition procedures for access to regulated professions.[20] There are currently over 5 700 professions regulated across the EU[21] covering an estimated 22% of the labour force[22], with considerable variations in how these professions are governed and diverging access requirements between MS. This exacerbates the issue of allocative inefficiency as imperfect information is compounded by legal and administrative hurdles to skills mobility. Under the TFEU, regulation of access to professions is MS competence within the limits of EU law, and in particular, non-discrimination and proportionality[23]. Consequently, there is a high variety of approaches to

[20] Article 3 of the Professional Qualifications Directive defines a regulated profession as *"a professional activity or group of professional activities, access to which, the pursuit of which, or one of the modes of pursuit of which is subject, directly or indirectly, by virtue of legislative, regulatory or administrative provisions to the possession of specific professional qualifications."*.

[21] According to the ECA, the combined data on professions that are regulated in the MS show that the total increased from around 5 400 in 2016 to around 5 700 in 2023 (average per MS: 212 regulated professions). Annex 8 of this IA provides more background on regulated professions in the MS, for illustrative purposes. The European Commission's RegProf allows to verify which professions are regulated at national level in the EU, by MS.

[22] See COM (2016) 820 final.

[23] Directive (EU) 2018/958 on proportionality tests obliges MS to assess, before adoption, whether new or amended regulation of professions is justified, necessary, and proportionate to legitimate public-interest objectives, and to document this assessment transparently: by doing so, it indirectly supports recognition by reducing barriers and promoting consistency across MS.

regulating the access to professions between MS which creates barriers to professional mobility within the EU. To address those barriers, the EU has established the Professional Qualifications Directive[24] (PQD) which provides a robust, legally binding framework that sets out rules on the recognition of professional qualifications in a cross-border context. Thus, the Directive facilitates professional mobility, ensuring that individuals who have acquired their professional qualifications in one MS for access to a given profession, can access and pursue the same profession in another MS under the same conditions as nationals. However, the experience of professionals navigating the existing regulatory framework reveals that recognition often remains a complex and time-consuming process. While the framework's foundations are fundamentally sound, lengthy procedures, uneven digitalisation of national processes and procedures, and heavy documentation requirements risk undermining its potential. Action 2 aims to facilitate cross-border recognition of professional qualifications required to access regulated professions and is organised into two primary work strands. The **first work strand** focuses on applying the automatic recognition system to additional regulated professions. Currently, automatic recognition exists for certain sectoral professions with harmonised minimum training requirements (such as doctors and nurses). For specific economic activities in trade and commerce there is automatic recognition based on professional experience. The action aims to extend automatic recognition to professions which are not currently covered using Common Training Frameworks. It is covered as part of the baseline in this IA.[25] The **second workstrand** on Modernisation and Digitalisation of Procedures aims to simplify and speed up recognition of professional qualifications for regulated professions, by streamlining the existing recognition procedures under the Directive, leveraging the potential of digital tools. Action 2 is based on articles 46, 49, 53 and 62 TFEU. The various problem drivers and Policy Options in this second work strand are discussed in this IA.

Action 3: Attracting and Empowering Global Talent

Acknowledging that intra-EU mobility alone cannot solve all labour market needs, Action 3 focuses on making the Single Market a more attractive destination for TCN by enabling them to have their qualifications recognised and their skills validated more easily. This will both benefit the TCN already residing and working in the EU and those who intend to migrate to the EU, making the Single Market a more attractive destination for global talent. Action 3 is based on article 79 (2) points (a) and (b) TFEU. The various problem drivers and Policy Options in this third work strand are discussed in a dedicated IA.

These three actions are closely interlinked. The interoperable, secure and verifiable digital credentials developed under **Action 1** will simplify and speed up recognition procedures in the context of regulated professions under the PQD **(Action 2)** by reducing administrative burdens on Competent Authorities enabling smoother, faster assessments. **Action 3** addresses

[24] Directive 2005/36/EC of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualifications. The PQD, based on articles 46, 53(1), 53(2) and 62 TFEU is part of a broader acquis governing the free movement of professionals. The links between the PQD and other instruments on the free movement of professionals in the Single Market are explained in more detail in Annex 7.

[25] The link between this strand of work and the modernisation and digitalisation of recognition procedures is explained in Annex 9 of the relevant IA.

a critical gap: the PQD's recognition procedures **do not cover third-country nationals (TCNs)**. TCNs and EU citizens holding non-EU qualifications do not always benefit to the same extent from the existing EU transparency tools. This puts them at a disadvantage compared to EU citizens holding EU qualifications, undermining the attractiveness of the Single Market as a destination for global talent. To address these issues, specific actions to facilitate recognition of qualifications of TCN is warranted. This is the purpose of Action 3.

1.1. Skills portability and regulated professions

This IA focuses on the modernisation and digitalisation of procedures under the PQD (Workstrand 2 of Action 2).[26]

The regulation of professions, namely the requirement by law of specific qualifications in order to have access to professional practice, falls within the competence of MS. Justified and proportionate professional regulation serves important public interest objectives, including the protection of public health, public safety, consumers, and the natural and built environment. However, **diverging access requirements to regulated professions limit professional mobility** across borders, creating legal and practical barriers for professionals wishing to work in another MS and exacerbating shortages in professions.[27]

In principle, cross-border recognition of qualifications for all professions where specific professional qualifications are required by law is covered by the PQD. As an exception, the PQD does not apply to notaries (Article 2(4)) and to very few professions for which other EU legislation sets out specific recognition arrangements that exclude the application of the PQD or exhaustively regulate recognition matters. For example, Directive (EU) 2022/993 on seafarers explicitly excludes the application of Directive 2005/36/EC, while specific directives on lawyers (Directives 77/249/EEC and 98/5/EC) do not explicitly exclude it and Directive 2005/36/EC could still apply on a subsidiary basis.[28] The PQD provides definitions of both a regulated profession and a professional qualification (Article 3). A *regulated profession* is defined as a professional activity, or group of professional activities, for which access, pursuit, or one of the modes of pursuit is subject, directly or indirectly, by virtue of legislative, regulatory or administrative provisions, to the possession of specific professional qualifications. A *professional qualification* is defined as a qualification attested by evidence of formal qualifications (diplomas, certificates and other evidence certifying successful completion of professional training), competence (for a training course not forming part of a certificate or diploma) or professional experience.

Professional regulation spans a wide range of sectors across the European economy.[29] The diversity of regulated professions demonstrates that regulation may be driven either by the

[26] Since the possibility to extend automatic recognition to additional regulated professions by means of CTFs is already enshrined in the PQD, Workstrand 1 of Action 2 is covered as part of the baseline.
[27] EURES (2023).
[28] Other specific professions, to which the application of PQD is limited or excluded are, e.g., air traffic controllers, statutory auditors, and train drivers.
[29] Approximately 5 700 professions are regulated across the Member States. It is estimated that 22% of the EU labour force works in these professions, either as employees or as self-employed persons. Cf COM(2016) 820 final.

economic importance of a profession or by the need to protect public interests such as public health and safety, consumer protection, and the quality and continuity of essential services. Regulated professions are found both in high-value-added activities, such as engineering and other technical professions, and in sectors that are critical for societal resilience and the functioning of public services, including healthcare and education. Obstacles to the mobility of professionals in these sectors can therefore generate allocative inefficiencies by preventing labour from moving where it is most needed, while also exacerbating labour shortages and constraining the provision of essential services. Health and care professions account for by far the largest share of professional recognition procedures (around 70% of establishment cases), reflecting the importance of cross-border mobility in this sector. Education represents a further 12% of establishment cases, followed by transport and machinery (6%), construction and trades (5%), and technical and engineering professions (4%). These sectors coincide with areas experiencing persistent labour shortages across the Union: four of the ten most widespread shortage occupations are in healthcare (nurses, medical specialists, nursing assistants and physiotherapists), two in transport and machinery (heavy truck and lorry drivers, sheet metal workers), and three in construction and trades (welders, electricians and plumbers).[30] This illustrates the broad economic and societal importance of ensuring that recognition procedures for professionals function efficiently across the European labour market. This broad scope of regulation of professions is evidenced by information available on the Regulated Professions Database (RegProf), which provides a comprehensive overview of professions regulated by Member States and notified under Directive 2005/36/EC.[31]

Member States are required under Article 59 of the PQD to notify the Commission of the professions they regulate and the activities covered by such regulation. These notifications are made available through the RegProf database. However, **the information submitted by Member States is not always complete, consistent or sufficiently detailed**, meaning that the database does not currently provide the fullest overview of regulated professions across the EU.

It should be noted in this regard that the number of regulated professions is only one indicator of the extent of professional regulation in a Member State.[32] Regulatory approaches differ considerably. Some Member States regulate a broad professional field as a single profession, while others regulate individual activities within that field as separate professions. Likewise, a Member State may regulate relatively few professions but impose extensive requirements and conditions for access and pursuit, whereas another may regulate a larger number of professions subject to less stringent requirements. Consequently, the number of regulated professions provides only a partial picture of the level of regulation.

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[30] Cf. Annex 8.
[31] Regulated Profession Database
[32] The extent of professional regulation varies considerably across Member States. While some regulate close to 100 professions, others regulate close to 400. Cf ECA Report 10/2024

Recognition procedures under the PQD seek to reconcile the legitimate objectives pursued by professional regulation[33] with the free movement of professionals. At the same time, the responsibilities for processing recognition applications, designating competent authorities, maintaining national lists of regulated professions, and providing information to citizens lie with the MS. As a result, recognition of professional qualifications depends largely on national regulatory regimes and administrative systems.

The recognition regimes included in the Directive are:

- **Automatic recognition based on EU-level minimum training requirements** is applicable across all Member States and currently covers seven professions (including medical doctors and general care nurses) as well as over 50 medical and dental specialties. Under this system, the national competent authority must limit its scope to verifying whether the diploma—and any accompanying certificates—corresponds exactly to those listed in Annex V to the Directive. The authority may not check the contents of the training, meaning it must refrain from requesting documentation specifying these contents. It may, however, request other standard documents in line with Article 50 of the Directive.
- **Automatic recognition for professions in trade, industry or business based on professional experience** applies where the applicant's professional activity is listed in Annex IV to the Directive**.**. In these cases, the national authority proceeds directly to the assessment of the professional experience documented by the applicant, which may occasionally be accompanied by specific conditions related to training.
- **Automatic recognition based on Common Training Principles** includes Common Training Tests (CTT) or Common Training Frameworks (CTF), which are based on an EU-level test or EU-level minimum training requirements, respectively. This regime applies exclusively within the Member States that actively participate in the specific CTT or CTF.
- **The general system of recognition**, under which the competent authority of the host Member State compares the applicant's qualifications with the national training and professional requirements established by that Member State for access to the profession, and may require supporting documents to determine whether substantial differences exist that could justify the imposition of compensatory measures, where the applicant's lifelong learning and professional experience do not compensate for those differences.

The Directive benefits not only professionals seeking long-term establishment in another Member State, but also those wishing to exercise their profession temporarily and occasionally across borders. It is thus closely linked to the Services Directive (2006/123/EC), which lays down general provisions facilitating the free movement of services within the Union. As the Services Directive itself acknowledges, its provisions give way to those of the PQD where the two overlap. This reflects the central role of the PQD in governing the mobility of professionals in regulated professions.

[33] Member States remain free to regulate professions or amend existing professional regulation, provided that such measures comply with the proportionality requirements laid down in Directive (EU) 2018/958 on a proportionality test before adoption of new regulation of professions.

2. PROBLEM DEFINITION

The decision to move and work in another Member State is influenced by a wide range of factors, including employment opportunities, wages, working conditions, language, family circumstances and broader economic conditions.[34] Recognition of professional qualifications is therefore only one of the determinants of mobility intentions. However, for regulated professions, it occupies a unique position among these factors because it constitutes a legally binding condition for access to the profession. Regardless of a professional's willingness to move or the attractiveness of employment opportunities abroad, recognition requirements determine whether they are legally permitted to practise their profession in the host Member State. Efficient and predictable recognition procedures therefore do not create mobility intentions in themselves, but they are essential for enabling existing mobility intentions to be translated into actual cross-border professional mobility.[35] This underlines the central role of the PQD in enabling the free movement of professionals in regulated professions and highlights the importance of improvements to recognition procedures assessed in this impact assessment.

An average flow of 53 000 recognition decisions per year between 2020 and 2024 with a positive recognition rate of 93% suggests that the different recognition systems offered by the Directive effectively facilitate cross-border career transitions.[36] However, the fact that, as highlighted by ECA, only an estimated 6% of citizens aged 20 to 64 years moving to another MS make use of the systems of recognition of professional qualification, while regulated professions account for approximately 22% of the EU labour market, suggests that **professional mobility in regulated professions remains below its potential**.[37]

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[34] The determinants of labour mobility extend beyond the scope of this initiative and are addressed through a range of complementary EU policies, including the European Affordable Housing Plan, the forthcoming Quality Jobs Act, the Union of Skills framework and the initiatives comprising the Fair Labour Mobility Package. The proposed revision of Directive 2005/36/EC complements these initiatives by addressing the specific administrative barriers arising from the recognition of professional qualifications.

[35] Recent findings from *Flash Eurobarometer 567 – Satisfaction with administrative services: citizens' views on quality, accessibility and reliability* illustrate the challenges citizens expect to face when interacting with public administrations in another Member State. Nearly half of respondents (47%) identified the non-recognition of documents or certificates from their home country as an expected difficulty, alongside language barriers (65%), difficulties understanding how to access public services (57%), different requirements for non-nationals (52%), confusing administrative processes (49%) and the need to provide the same information multiple times (47%). In addition, 47% of respondents expected it to be difficult or very difficult to access public administration services in another Member State. While the survey is not specific to the recognition of professional qualifications, it provides useful evidence of the broader administrative barriers citizens anticipate in cross-border situations and reinforces the need for simpler, more digital and interoperable recognition procedures.

[36] The annual average is calculated by dividing by five the 264 000 decisions recorded in RegProf during the period 2020–2024, for qualifications obtained in an EU MS and mobility to all EEA countries. Previously, between 2008, when the transposition deadline for Directive 2005/36/EC expired, and 2015, before the transposition deadline for the revisions of 2013 expired, Member States issued 475 226 recognition decisions. Between 2016 and 2020, a period of only five years, compared with eight years for the previous reference period— a further 375 106 decisions were taken. The consistently high number of recognition decisions demonstrates the continued importance of the Directive as a framework for supporting the cross-border mobility of professionals.

[37] Cf. ECA (2024); ITEM (2025); MKW/Empirica (2009); Jeffrey/Morosi (2017).

The Commission's preparation of the Report on the implementation of the PQD covering the period 2020–2024 and its accompanying SWD, adopted in February 2026, provided a significant opportunity to assess the functioning and implementation of the PQD in practice. Based on extensive evidence gathering and consultations with CAs, professional organisations, citizens and other stakeholders, the exercise identified a number of persistent shortcomings and implementation challenges.[38]

In addition to drawing on the evidence collected for the implementation report, the study supporting this IA[39] was informed by desk research, evidence from the Regulated Professions Database (RegProf)[40] and the Internal Market Information System (IMI),[41] and stakeholder consultations. Although these sources provided a sufficient evidence base for the assessment, important data limitations remain, notably inconsistent reporting by MS, limited operational metrics on the performance of recognition procedures and insufficient data on "potential mobility". These limitations are linked to the still limited digitalisation of recognition systems, which results in fragmented data collection.

2.1. What is the problem?

Despite the existence of an EU legal and policy framework supporting the cross-border recognition of professional qualifications, mobile professionals still face considerable practical and administrative hurdles when trying to access regulated professions in another MS. Applicants seeking to have their qualifications obtained in one MS recognised in another MS to access a regulated profession often face **long, complex and burdensome recognition processes.**[42] Professionals are deterred from pursuing cross-border opportunities[43]. This

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[38] COM (2026) 86 and SWD (2026) 64. The Report found that recognition of professional qualifications across MS can still be a complex and time-consuming process because of lengthy procedures, uneven digitalisation and heavy documentation requirements. Previously, the 2011 Evaluation of the PQD (European Commission (2011)). had already underlined concerns about access to information, the complexity and length of procedures and limited cooperation between CA. The 2024 Special report by the European Court of Auditors (ECA 2024) confirmed excessive documentation requirements, disproportionate checks and unjustified fees for handling recognition applications as well as delays in the procedures exceeding the deadlines set out in the Directive. The ECA report also underscored that in many MS the absence of fully developed electronic procedures continues to limit efficiency and leads to significant variations in the experience of applicants. Where relevant, the findings of the 2011 Evaluation, the 2024 ECA Report and the 2026 Implementation Report have been integrated in the analysis of the problem drivers below.

[39] Study supporting an impact assessment of Directive 2005/36/EC - Final Report on Targeted SPI-related aspects, EY Advisory S.p.A – IRS, 2026.

[40] RegProf (Regulated Professions Database) is the European Commission's database containing information on regulated professions and professional qualifications recognition decisions reported by MS under the Professional Qualifications Directive.

[41] The IMI was developed by the Commission in close collaboration with the MS. Since its launch in 2008, more than 485 000 information exchanges in total have taken place through it. IMI supports more than 100 cross-border procedures, and connects over 12 500 public authorities with approximately 40 000 registered users.

[42] In the public consultation conducted for the SPI, which gathered a total of 785 responses, 48 of the 66 EU citizens who have undergone recognition process of their qualifications reported lengthy, complex and costly procedures as major or very major problem. Additional evidence regarding the complexity of recognition procedures, including their duration and costs, is presented in the sections below addressing each of the problem drivers.

translates into limited recruitment options for companies, who find themselves unable to easily tap into the full EU talent pool to fill critical vacancies.[44] At macro-economic level, barriers to recognition contribute to an inefficient allocation of skills across the EU, with negative effects on labour mobility, productivity and potential economic growth,[45] and reinforce uneven mobility patterns contributing to brain drain from certain MS. When the recognition of qualifications is stalled or denied, skilled professionals are forced into roles that do not utilise their full expertise, contributing to "brain waste" and overqualification.[46] This is evidenced by the considerably higher than average overqualification rates for mobile workers in the EU: 31.3% for mobile EU citizens vs. 20.8 for domestic workers in 2023.[47]

The problems and their underlying drivers identified in the 2020–2024 report on the implementation of the PQD, as discussed further below, reflect challenges that have persisted over time,

The **2011 evaluation of the Directive**[48] had already observed that the general system of recognition provided a pragmatic and effective solution, but that its application remained burdensome for professionals and competent authorities. Regarding the automatic system, it had found that it allowed overall for efficient treatment of requests for recognition. The evaluation identified weaknesses in the consistency and accessibility of information, complex procedures, limited administrative cooperation and limited availability of electronic procedures. Although the PQD had strengthened and simplified administrative cooperation, information exchanges were limited, and while the IMI system had significantly improved the speed and efficiency of cooperation, its effectiveness was constrained by the fact that its use was not mandatory for all professions and competent authorities.

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[43] 21 out of 66 EU citizens participating in the public consultation on the SPI who had undergone a recognition procedure reported that difficulties linked to the recognition of their professional qualifications discouraged them from moving to, or applying for, a job opportunity in another country.

[44] 95% of SMEs report that finding employees with the right skills is a challenge for their business. Cf. European Commission (2024).

[45] Research suggests that increased cross-border mobility contributes to higher global long-run growth. Cross-border migration can influence productivity growth, both in the receiving and sending countries through several channels, such as skill and diversity spillovers, remittances, age structure, entrepreneurial skills (Brunow et al., 2015; United Nations, 2011). Also, higher rates of migrants with management skills can positively influence foreign direct investments in receiving country (Cuadros et al., 2019).

[46] In the public consultation for the SPI, out of 66 respondents EU citizens who had undergone recognition procedures, 17 indicated that they had accepted employment below their level of qualification, 13 reported that the recognition process prompted them to undertake additional studies or training, 12 stated that they secured a job opportunity corresponding to or exceeding their qualifications and 12 reported that they had missed such an opportunity, 11 indicated that they moved into employment in a different field, 10 reported delays in starting a new job, whereas 9 stated that the outcome discouraged them from applying for job opportunities in another MS.

[47] While overqualification is a phenomenon that affects mobile workers across all sectors, its impact is particularly concerning within regulated professions given that many of the acute shortage professions in critical sectors—such as healthcare, engineering, and education—are regulated. According to the latest (2024) European Employment Services (EURES) report on labour shortages and surpluses, nursing professionals, generalist and specialist medical practitioners, pharmacists and dentists are ranked among the most widespread shortage occupations by number of countries and prevalence of high severity.

[48] 2011 evaluation of the PQD.

In response to these findings, a **number of reforms were introduced by Directive 2013/55/EU**[49] aimed at improving the efficiency, transparency and digitalisation of recognition procedures. These included the creation of the European Professional Card (EPC), an electronic procedure applying to professions for which the Commission would subsequently adopt an implementing act,[50] allowing professionals to submit applications for the recognition of qualifications or declarations for the temporary and occasional provision of services through an online platform. The EPC was intended to simplify administrative procedures, reduce processing times and strengthen cooperation between competent authorities through the IMI system. The revision also introduced an alert mechanism requiring Member States to notify each other when professionals had been prohibited or restricted from exercising their profession, strengthened rules on administrative cooperation and information exchange, expanded the information to be made available online on recognition procedures, required the possibility to complete procedures by electronic means, established assistance centres to support professionals, and reinforced transparency obligations concerning regulated professions. These reforms produced improvements. IMI provided competent authorities with a common, secure and structured channel for identifying and communicating with their counterparts. It improved authority-to-authority cooperation, trust and traceability. The EPC demonstrated that a faster and more transparent electronic recognition procedure was possible by establishing a structured online workflow, allocating responsibilities between the home and host authorities and setting specific procedural deadlines.

In **2018, the Commission published an assessment of stakeholders' experience** with the EPC and the alert mechanism.[51] The assessment concluded that the EPC and the alert mechanism made a positive contribution to the objectives of the 2013 revision of the PQD, providing added value compared to the 'traditional' processes and facilitating information exchanges. The evaluation demonstrated a high interest of the users in the EPC and an increasing use of the alert mechanism by Member States. The public authorities appreciated both EPC and the alert mechanism as secure tools for information exchanges and as a useful facilitation. At the same time, the assessment highlighted the need for continuous improvements, including further refinement of IMI functionalities, enhanced guidance for competent authorities, more transparency, and ongoing dialogue with users to ensure the effective and consistent operation of these new digital tools.

The **2020 implementation report**[52] concluded that the revised PQD had been broadly effective in facilitating the mobility of professionals across the EU. The digital tools introduced by the 2013 revision were found to support administrative cooperation and the recognition process effectively. At the same time, the report found that Member States

[49] Directive - 2013/55 - EN - EUR-Lex amending Directive 2005/36/EC on the recognition of professional qualifications and Regulation (EU) No 1024/2012 on administrative cooperation through the Internal Market Information System (‘the IMI Regulation’)
[50] In practice, from 2016 the EPC became available for five professions: general care nurses, physiotherapists, pharmacists, real estate agents and mountain guides.
[51] SWD(2018) 90 final, Assessment of stakeholders' experience with the European Professional Card and the Alert Mechanism procedures
[52] COM(2020) 191 final, Report on the implementation of certain new elements introduced by Directive 2013/55/EU of the European Parliament and of the Council of 20 November 2013

continued to impose burdensome procedural requirements, failed to provide comprehensive online information and electronic procedures, and did not fully comply with transparency obligations. The mutual evaluation exercise had not resulted in regulatory reforms, while proportionality assessments of professional regulation were often insufficient. In addition, several issues remained open, particularly concerning language checks, temporary service provision and partial access. The report confirmed further the need to refine the IMI platform.

In **2024, the European Court of Auditors published a special report** on the recognition of professional qualifications in the EU [53] concluding that, although the EU system for the recognition of professional qualifications is essential for supporting labour mobility, it is applied inconsistently and remains burdensome. It recommended that the Commission strengthen the uniform implementation of the Directive through clearer guidance, better monitoring and enforcement, and greater consistency in the application of procedural requirements and deadlines. The report also called for stronger integration of the alert mechanism into recognition procedures, faster and more efficient automatic recognition for sectoral professions, including shorter decision deadlines, and more reliable, complete and consistent information for professionals.

The findings of the **2026 implementation report**[54] largely confirmed the earlier diagnosis. Recognition procedures may still be lengthy and complex, national digitalisation remains uneven, documentary requirements can be burdensome, and information available through national portals and EU-level sources is not always complete, consistent or up to date. The persistence of these problems does not mean that the reforms adopted since 2011 were ineffective. Rather, they improved specific parts of the system without comprehensively redesigning the recognition process.

As regards the EPC, the predecessor of the broader IMI-based digital workflow introduced by this proposal, the evidence collected for the 2026 Implementation Report indicated that, despite its potential, its impact has remained constrained by a range of operational and systemic challenges. Targeted consultation highlighted that the IT system underpinning the EPC is often perceived as complex, rigid and cumbersome to operate. Document uploads are considered time-consuming, navigation is not sufficiently intuitive, and the overall workflow is regarded as more burdensome than national procedures or the standard recognition procedures. Technical and interoperability issues, linked in particular to uneven levels of digitalisation across Member States, have further hindered its effective functioning. In addition, low awareness among both professionals and competent authorities has limited its uptake. Since the EPC does not automate or simplify key administrative tasks, such as verifying the authenticity of documents or classifying supporting evidence, these continue to require significant manual effort by competent authorities. Overall, the evidence pointed to the need for a more unified and scalable digital approach that strengthens the mutual trust underpinning the PQD while improving efficiency, transparency and the user experience.

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[53] ECA special report 10/2024

[54] COM(2026) 86 final, Report on the 2020-2024 implementation of the PQD

A comparison with the 2011 evaluation therefore shows continuity rather than the emergence of entirely new problems. Previous reforms successfully improved administrative cooperation and demonstrated the benefits of electronic recognition procedures, but their scope and design prevented them from resolving the problems across the Directive as a whole.[55] The remaining challenge is to build on those reforms through a scalable, interoperable and user-centred digital process covering the full recognition workflow.

As explained in more detail below, **the remaining inefficiencies stem from several interrelated causes**. Processing times and administrative burdens are influenced by a combination of factors affecting both applicants and competent authorities. The provision of information constitutes the first of these. While Member States and competent authorities remain responsible for maintaining information on regulated professions, competent authorities and national requirements, insufficient alignment between national and EU-level information sources can lead to inconsistencies, reducing the reliability and clarity of the information available. As a result, applicants are not always sufficiently informed about the applicable requirements, leading to incomplete applications and additional exchanges with competent authorities. Recognition procedures are fragmented across a large number of competent authorities with differing workloads, resources, levels of expertise, administrative capacities and exposure to cross-border mobility in regulated professions. The workload associated with the recognition of professional qualifications is not limited to assessing applications and determining whether qualifications are equivalent. Competent authorities also devote considerable resources to supporting administrative activities, such as maintaining information portals, responding to enquiries from applicants and other competent authorities, issuing certificates for outgoing professionals, and managing information in the Regulated Professions Database. These horizontal tasks are indispensable for the functioning of the recognition system and represent a significant share of the overall administrative effort required from competent authorities. Authorities operating under the general system frequently have to assess qualifications obtained in different education and training systems, making recognition procedures inherently more complex. Delays may also arise when information must be obtained from competent authorities in other Member States. These challenges are compounded by uneven levels of digital maturity. Existing digital tools do not always communicate effectively with one another, requiring manual interventions and duplicative work, while some authorities continue to rely on paper-based or only partially digital processes. Recognition procedures also continue to depend heavily on documentary evidence whose authenticity must be verified on a case-by-case basis. In the absence of interoperable and widely verifiable digital qualifications, competent authorities often request certified copies, translations or additional attestations, increasing both the administrative burden and the duration of procedures. Although IMI provides a common channel for administrative cooperation, the Directive does not sufficiently regulate intermediate procedural steps or authority-to-authority exchanges, and certain procedural obligations lack the precision needed to ensure consistent implementation. Consequently, delays often arise

[55] Effectively, improving some aspects (such as communication between the Member State authorities through IMI) made other issues more visible (recurring requests concerning authentication of evidence, contributing to delays in procedures).

not from an unwillingness to cooperate but from divergent national workflows, differing administrative practices and the absence of common operational processes.

These issues give rise to the problem drivers analysed in the following section.

2.2. What are the problem drivers?

The problem identified above can be broken down into three underlying problem drivers. These drivers arise from a combination of divergent national regulatory frameworks, differing administrative practices across MS, and, in some areas, provisions of the PQD that leave scope for varying interpretations.

When analysing the drivers of the identified problems, it is useful to distinguish between issues of design and issues of implementation**.** Design issues arise where the Directive does not provide a common element that is instrumental for the effective functioning of the recognition system, such as a common workflow or other shared procedural arrangements.[56] Implementation issues arise where the Directive already contains the relevant elements, but they are either not defined with sufficient specificity to support consistent application across Member States or are not correctly applied in practice. As explained below, the analysis identifies both types of issues.

Fragmented and inconsistent information available to applicants

In this area, the main challenge lies not so much in the design of the framework established by the Directive as in its implementation. While the necessary elements are largely in place, they are not implemented consistently or in a sufficiently aligned manner across Member States.

Individuals seeking to access or exercise a regulated profession in another MS must comply with national rules governing access to that profession. As a first step, applicants therefore need access to clear, comprehensive and up-to-date information on applicable national requirements. The PQD requires MS to ensure centralised access to information through Points of Single Contact (PSCs) and provides for the establishment of Assistance Centres (ACs) to support applicants in navigating national procedures and legislation.[57] In addition, the Single Digital Gateway Regulation[58] introduces additional digital access and online service availability obligations. Despite this, however, professionals still encounter practical difficulties in accessing reliable and user-friendly information: **information is often fragmented across multiple institutional sources.**[59] While some MS provide comprehensive

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[56] Alternatively, design issues may also concern existing measures which proved to be unnecessary or ineffective.

[57] The mandates, use and visibility of ACs vary significantly across MS. Cf. SWD (2026) 64, Section 8.2.

[58] Regulation (EU) 2018/1724 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services and amending Regulation (EU) No 1024/2012.

[59] In the public consultation for the SPI, most of the EU citizens who had undergone or planned to undergo recognition of their professional qualifications (n = 157) indicated multiple sources of information used to gather insights into the recognition process. The most frequently used source was official national government websites (43 out of 157), followed by EU websites (35 respondents), professional organisations and unions (19 respondents), informal networks (18 respondents), recognition authorities and contact points (18 respondents),

and centralised information,[60] the availability, accessibility and quality of information vary significantly across professions and MS.[61] The fragmented and inconsistent information contributes to incomplete or incorrect applications[62] and generates repeated requests for clarification addressed to CA.[63] National business federations flag that companies find it difficult to assess whether qualifications obtained in one country meet the requirements of another country.[64] Although the applicable legal framework requires alignment **between information available at EU and national level, inconsistencies persist**, such as discrepancies between the lists of regulated professions published in the RegProf database and those available on national websites.[65] Although the PQD requires MS to notify to the Commission their lists of regulated professions, specifying the activities covered by each profession, in practice only some MS provide continuous updates while others do so only periodically.[66] On the other hand, while MS are required by the PQD to provide information at national level, the legal framework does not always specify in sufficient detail the content of that information, resulting in variations in quality and completeness.

Process inefficiencies

In this area, the main challenge lies in the design of the recognition framework. The Directive does not establish a common workflow or sufficiently harmonised procedural rules for how recognition procedures should be conducted, resulting in divergent national processes and associated inefficiencies.

Evidence gathered in the context of the 2020–2024 PQD implementation report highlights concerns about heavy procedural requirements and the continued reliance on paper-based submissions in some MS.[67] Professionals face difficulties due to a lack of streamlined processes.[68] **Recognition procedures under the PQD are resource-intensive**.[69] CA for

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social media or online forums (16 respondents), and employers or recruiters (14 respondents). Only 35 out of the 157 respondents considered the information provided to be very clear.

[60] During a consultation workshop with members of the GoC (participants from 22 MS), representatives reported comprehensive national information websites in Estonia, Finland, Hungary, Romania and Sweden.

[61] Cf. SWD section 8.2. and study supporting this IA (Annex 10). The fact that the search for comprehensive and reliable information on where and how to apply for qualification recognition for a given profession can indeed act a deterrent and/or causes delays in the process is also confirmed by various cases studies. Cf. Jeffrey/Milio/Vale (2017).

[62] In a consultation workshop with members of the GoC, only 4 of 24 respondents considered that applications for recognition received by CAare complete and correct to a great extent.

[63] Cf. Annex 10 of the study to support this IA.

[64] Cf. SWD (2026) 64, section 10.2 The business perspective.

[65] To illustrate, the ECA report found that the RegProf listed fewer regulated professions for Austria, Belgium, and Czechia compared to the national lists maintained by each respective country. See ECA (2024), Box 6 and SWD (2026) 64, section 8.2.

[66] Cf. Annex 10 of the study to support this Impact Assessment, based on responses by National Coordinators from 22 MS.

[67] The 2011 PQD evaluation report had also flagged the complex and lengthy application procedures, as well as the limited administrative capacity of CA. European Commission (2011).

[68] On this, see SWD (2026) 64, section 10.1 Individuals’ views and section 10.2 The business perspective.

[69] Data gathered through surveys of CA conducted by the Commission for the 2020–2024 implementation report of PQD shows that CA rely on varying staffing models and divisions of labour. To illustrate, in some cases relatively large teams are required to manage high volumes of applications—for example, 17 staff members

professions subject to the general system of recognition requiring an individual assessment of qualifications find that staffing constraints and high workloads result in delays.[70] Automatic recognition, although it is based on harmonised minimum training requirements, in practice remains far from fully automatic — checks of documents and exchanges with CA in the home MS continue to rely on manual processing and require significant human resources.[71] While the PQD provides for **legally binding procedural deadlines**, they **are not consistently respected**.[72] Many MS still require **physical submission of documents** as fully digital procedures are not always available.[73] For applicants, this reliance on physical documentation

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handling around 1 700 recognition decisions annually (Ireland), or 6 case officers managing approximately 500 applications per year (Germany/ Baden-Württemberg). In other cases, recognition procedures are managed with very limited resources, such as a single staff member responsible for the entire process in certain professions (Austria, Ireland, Malta, Poland, and Spain for secondary school teachers), or small teams of two reporting the need for additional personnel (Portugal), or teams responsible for multiple professions (e.g. across all healthcare professions in Denmark). In addition, the recognition process often involves, beyond administrative case handlers, technical evaluators, decision-making bodies (such as boards or heads of CA), and external experts or commissions supporting the assessment of qualifications. This points to a multi-layered and resource-intensive process, suggesting that internal administrative capacity alone is often insufficient to cope with the complexity and volume of cases. For example, in one MS, two staff members are supported by a technical commission of four members (Portugal); in another, a single staff member conducts initial reviews with a six-member commission responsible for hearings (Lithuania); in one MS (Malta), the board consists of eight members; in another, nine members are involved (Romania); while elsewhere, one lawyer handles administrative tasks, supported by a committee of four social workers and one expert in social worker training (Croatia).

[70] Cf. SWD (2026) 64, Section 2 - Length of procedure, where it is evidenced that for professions falling under the general system, the duration of recognition procedures varies considerably across MS. Processing times can range from as little as a few weeks to several months, with most applications typically completed within one to four months. However, in some cases—particularly where additional documentation is required or administrative constraints arise—procedures may extend to seven or eight months.

[71] Cf. Annex 10 of the study supporting this IA and SWD (2026) 64, section 4.2 Automatic recognition based on minimum training requirements – Application procedure.

[72] It should be underlined that the deadlines provided for in the PQD only kick-in once the application is complete. Often, however, a lot of precious time is spent by the applicant gathering missing documents, clarifying information, or correcting errors in the initial submission before the competent authority acknowledges receipt of a complete file. Among the 284 individual respondents to the implementation report consultation who provided information on the duration of recognition procedures, 80 reported that the procedure lasted more than four months, while 25 indicated that it lasted more than one year. In the public consultation for the SPI, among 66 EU citizens who applied for recognition and responded to a question about the duration of the recognition process, including the time required to gather the documentation necessary for their application, many reported durations of several months. 13 respondents indicated that the process lasted between 3 and 6 months, while another 13 reported a duration of 6 to 12 months. For 10 respondents the process lasted between 1 and 3 months, and for another 10 it took less than one month. However, there were also cases where the process took substantially longer, with 2 respondents reporting a duration of 1 to 2 years, 4 respondents reporting 2 to 3 years, and 5 respondents indicating that the process lasted more than 3 years.

[73] The data presented in ECA (2024), Figure 6, p. 21 highlight considerable divergence across MS in the share of recognition procedures carried out electronically. Only a limited number of MS report levels close to or above 70%, while in most cases the proportion remains around or below 50%. In nine MS, the share falls below 40%, underscoring the uneven uptake of digital procedures. This picture is corroborated by the findings in Annex 6 of the study supporting this impact assessment, based on responses from national coordinators and CA in 22 MS. These indicate that applicants are still frequently required to submit documents in paper format. While fully electronic procedures exist for certain professions in several MS, their availability and use vary significantly, and paper documentation remains necessary where digital solutions are not in place. As a result, the time needed to collect supporting documentation directly affects the overall duration of recognition procedures.

increases costs[74], administrative burden, and delays.[75] Documentation requirements, although defined and limited under the PQD, often exceed what is strictly necessary in practice, including certified originals, notarised copies, apostilles, and sworn translations.[76] This is often linked to a lack of trust in qualifications issued in other MS.[77] Certified translations and copies generating additional costs and delays particularly where multiple documents must be processed. Finally, as the PQD leaves to MS to define recognition fees, both the level and structure of **fees vary widely**, creating uncertainty for applicants which may discourage them from applying.[78]

Fragmented administrative cooperation among national authorities and between national authorities and the Commission

This problem reflects both shortcomings in the design of the current framework and in its implementation. The absence of a common workflow is compounded by inconsistent

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[74] Cf. Chapter 6 below.

[75] CA also face inefficiencies due to paper-based processes. Manual handling of documents—including verification, scanning, processing, and returning originals—is resource-intensive. Paper documents are not inherently verifiable, requiring additional authenticity checks, which are increasingly complex in light of evolving fraud risks, including AI-based falsification. The absence of digital records complicates tracking and archiving, increases the risk of errors, and contributes to delays.

[76] Cf. Annex 10 of the study to support this IA, based on responses by National Coordinators from 22 MS. Data collected for the 2020-2024 implementation report of the also point to divergence across MS in the number of documents requested from applicants under the general system. Although the categories used are relatively broad (up to five, five to ten, and more than ten documents), all four professions examined show distributions across more than one category, indicating significant variation in documentary requirements. This suggests a lack of convergence, which is likely even more pronounced in practice, given that each category encompasses a wide range of possible document counts (Cf. SWD (2026) 64, Section 2).

[77] Procedural complexity is related to lack of trust in the professional qualifications obtained in another MS and the training institutions and CAs of that MS. However, lack of trust is not mentioned in this IA as a problem driver. There is, in practice, a degree of caution on the part of CA when assessing professional qualifications obtained in another MS, which may manifest itself in different forms: limited information on the underlying training and curricula, difficulties in comparing qualifications across national systems, doubts about the quality assurance of training, or concerns about the authenticity of documents. However, this is expected to some extent in the context of regulated professions. Unlike non-regulated professions, access is subject to legally defined requirements, and MS are both entitled and obliged to verify that applicants meet these conditions. In that sense, a certain degree of prudence should not, in itself, be considered problematic. The issue arises rather in how this caution is operationalised, notably in the type and extent of requirements imposed, the nature of the requests addressed to applicants, the proportionality of the evidence required, and the way applications are handled. This is why “lack of trust” is not identified as a standalone problem driver in the analysis, even though it can be understood as an underlying factor behind certain challenges observed in practice, such as lengthy processing times, extensive information requests, and burdensome documentation requirements.

[78] On differences in fees, see also SWD (2026) 64, Section 2 (General system of recognition – Fees), which shows that, for the professions covered by the general system, recognition fees in the MS range from no fee, to low fees (up to EUR 100), higher fees (up to EUR 1 000), and in some cases significantly higher amounts (above EUR 1 000). This pattern is broadly reflected in the replies to the public consultation for the SPI. Out of the 66 EU citizens who had undergone recognition processes, 2 indicated that the procedure was free of charge, 5 reported costs below EUR 250, 6 reported costs between EUR 251 and EUR 500, and a further 6 reported costs between EUR 501 and EUR 1 000, while 3 indicated costs between EUR 1 001 and EUR 2 500, and 7 reported costs exceeding EUR 2 500. At the same time, 10 respondents considered the question not applicable to their situation and more than 22 did not indicate the cost of the recognition procedure.

implementation of existing cooperation mechanisms, resulting in fragmented exchanges and cooperation.

Cooperation among MS is primarily supported by IMI, which provides a secure communication platform for CA to exchange information. Despite the support provided by IMI, coordination challenges, stemming from differences in national administrative structures and the level of engagement across MS complicate implementation.[79] Inconsistent use of the IMI undermines its potential to support administrative cooperation under the PQD.[80] The EPC remains underutilised and its uptake varies significantly across MS and professions.[81] More broadly**, recognition procedures across the EU are still unevenly digitalised**.[82] Although many MS have introduced online portals and digital document upload functionalities, professionals frequently encounter hybrid systems combining digital and paper-based elements.[83] Interoperability issues between national systems further exacerbate these

[79] The evidence collected for the 2020–2024 implementation report for the PQD (cf. SWD (2026) 64, Section 8.2) points to significant differences across MS in how national contact points for professional qualifications collect feedback and statistical data to support information exchanges.

[80] Issues with the use of the IMI system were already noted in the 2011 evaluation of the PQD. Following the 2013/55/EU amendment, the Commission introduced the EPC and an Alert Mechanism, both powered by the IMI to streamline recognition procedures and enhance safety. Since then, continuous improvements to the IMI's interface were implemented and guidance and training was provided to CA to optimise the system. Under the general system, CA report slow responses via IMI to questions on training content covered by a professional qualification. Under the automatic recognition system, delayed responses in IMI can impede compliance with legally prescribed deadlines for recognition decisions. Cf. SWD (2026) 64, Sections 2 and 4 on the general and the automatic systems of recognition.

[81] The EPC has been available since January 2016 for five professions: general care nurses, pharmacists, physiotherapists, mountain guides and real estate agents. It provides an electronic procedure for the recognition of professional qualifications with shorter deadlines (e.g. one month for the CA of the home MS to acknowledge receipt and issue the EPC) and tacit recognition in cases where it is for the CA of the host MS to take a decision within a deadline and no such decision is taken. The application of fees for EPC procedures remains inconsistent, reducing predictability for applicants. Cf. ECA (2024) and European Parliament (2019). Also, the EPC interface is perceived as complex and time-consuming. Cf. SWD (2026) 64, Section 6 on the functioning and current use of the EPC and its future implementation.

[82] The level of digitalisation of public administrations varies significantly across MS. Data from the Commission's eGovernment Benchmark and the OECD Digital Government Index, point to persistent disparities in the availability, quality and interoperability of digital public services. While some MS have developed highly user-centric, fully digital and interoperable administrative systems, others continue to rely to a greater extent on fragmented, paper-based or only partially digital procedures. As a result, professionals seeking recognition of qualifications across borders face uneven levels of digitalisation, contributing to longer processing times, higher administrative burden and reduced predictability of procedures. The cost survey of CAs carried out for the IA points specifically to differences in the degree of digitalisation of recognition procedures across MS. Out of 81 respondents, 29 reported that they had fully digitalised their recognition processes over the last five to ten years, while 38 reported having done so only partially. At the same time, 14 respondents indicated that they had not digitalised their recognition processes during this period. These results suggest that recognition procedures are currently carried out through a variety of digital and non-digital approaches, depending on the authority concerned. The survey also showed differences in the parts of the process that have been digitalised. The data presented in the 10/2024 report by ECA also highlight considerable divergence across MS in the digitalisation of recognition procedures. Only a limited number of MS report digitalisation levels close to or above 70%, while in most cases the proportion remains around or below 50%. In nine MS, the share falls below 40%, underscoring the uneven uptake of digital procedures.

[83] In some cases, applicants can download documents available online, but must return them by post or email. In others, online platforms serve only as repositories for forms rather than enabling full electronic submission. During transitional phases, some authorities continue to rely heavily on email exchanges, often supplemented by

challenges. **Cooperation via the IMI system does not currently function as a tracking tool for the entire recognition procedure**. Significant data gaps persist, most notably concerning the actual duration of recognition procedures from the moment of initial application to the final decision. Resolving these gaps currently requires substantial administrative effort and results in an incomplete evidence base.[84] Ultimately, this lack of transparent, real-time data limits the Commission's enforcement capabilities, making it difficult to identify systemic delays or effectively hold MS accountable to legally prescribed deadlines.

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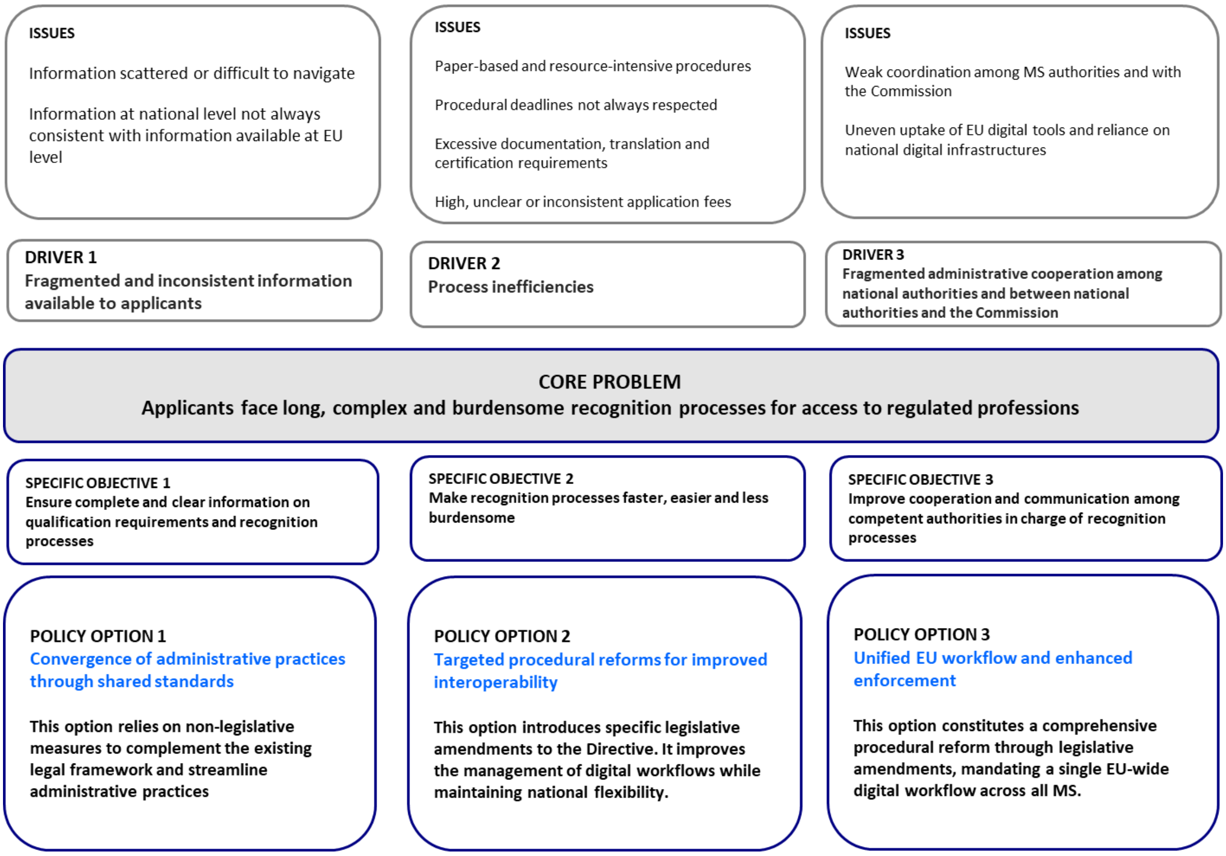
The problem drivers described above are represented in the visual below, which sets out the intervention logic of the initiative. In addition to illustrating the overall problem and its underlying drivers, it captures the key issues identified and the objectives pursued in relation to each problem driver.



secure electronic signatures. Cf. Annex 6 of the study to support this IA, based on surveys carried out for the PQD implementation report 2020-2024 with 450 citizens and CA from 23 MS.

[84] The difficulty of establishing a reliable evidence base is highlighted in the 2026 SWD underpinning the Report on the implementation of the Directive, which relies on targeted, ad-hoc stakeholder surveys conducted between Q2 2024 and Q1 2025 to capture data not systematically available in the IMI system.

As illustrated in Annex 10, the shortcomings identified above can have a **compounded negative impact across the entire user journey**. When information gaps, procedural hurdles, and administrative cooperation bottlenecks converge, they create a cumulative 'friction' that fundamentally compromises the applicant's experience. The initial difficulty in finding reliable information often leads to incomplete or incorrect applications, which creates delays at the very beginning of the process. These can be further exacerbated by burdensome, paper-based processes and uneven cooperation between the CA, where administrative inertia of a single authority can stall the entire process. Finally, a lack of precise real-time data on processing times hampers the effective monitoring of compliance.

2.3. How likely is the problem to persist?

In the absence of additional EU action, some gradual and incremental improvements can be expected as a result of improved technical infrastructure and the use of possibilities already provided under the PQD.[85] However, in the absence of more systemic reforms the portability of qualifications across borders will continue to be hampered. As indicated above, the number of regulated professions in the EU has remained constant at a high level between 2016 and 2023.[86] Since the regulation of professions is within the competence of the MS, administrative obstacles arising from **differences in national regulatory requirements are not expected to decrease.** In response to technological change, digitalisation and the shift towards a net-zero emissions economy, MS are revising existing regulated professions or even defining new ones to ensure safety and quality in both emerging and established sectors.[87] They are likely to continue to do so in the coming period. In the absence of central coordination, this will create additional regulatory divergence for a considerable share of professions. **Technical improvements within individual MS will not automatically yield system-wide benefits,** as the overall speed of recognition procedures remains critically dependent on the quality of bilateral cooperation. The uneven uptake of digital tools across the Union creates "bottlenecks" where the inefficiencies of one national authority hinder the cross-border process. Digitalisation at individual MS level can even hamper rather than smoothen

[85] This includes the delegated powers provided for under the Directive, for example those relating to the establishment of Common Training Frameworks, which are considered part of the baseline (see Section 5.1 and Annex 9).

[86] Cf. fn 21.

[87] The regulation of professions in EU MS is a dynamic and uneven process, shaped by technological change, market demand and new regulatory priorities. New or newly formalised activities may become regulated professions or regulated specialisations: for example, France regulates the titles and practice of genetic counsellor and medical physicist, both linked to advances in genomic medicine, radiotherapy, and medical imaging. MS create new specialties like the advanced practice nurse pathway, and tend to add new specialties in engineering like biomedical and clinical engineering, reflecting the growing role of technology. Regulatory change can also create new market-facing roles, as seen with sustainability assurance auditors, leading to the development of dedicated training, and – prospectively – to the emergence of new regulated professions. Similar market and public-policy needs are visible in the regulation of building energy assessors and renewable-energy installers. At the same time, regulation is fragmented: some countries regulate an activity or title while others rely on sectoral certification, professional registers or training schemes. As a result, professionals seeking recognition of their qualifications in another MS may face significant differences between regulatory regimes: in one country the activity may be treated as a new regulated profession, in another as a specialty of an existing profession, and in a third as a certification or licensing requirement attached only to certain activities. This makes recognition increasingly dependent on a detailed comparison between traditional professional categories and newer, more specialised or technology-driven forms of regulation.

recognition, by making interoperability more difficult. Furthermore, the PQD in its current form does not provide the operational metrics needed to monitor the end-to-end performance of recognition systems, nor does it ensure the systematic collection and transmission of relevant data between CA and to the Commission. In the absence of additional measures, these **data limitations will continue to hamper monitoring** and enforcement.

3. WHY SHOULD THE EU ACT?

3.1. Legal basis

The legal basis for this policy action is **Article 53(1) of the Treaty on the Functioning of the European Union (TFEU)**, which empowers the Union to adopt directives for the mutual recognition of diplomas, certificates and other evidence of formal qualifications, as well as for the coordination of national provisions governing access to and pursuit of regulated professions, including for self-employed persons[88]. **This provision, in conjunction with Articles 45, 49 and 56 TFEU on the free movement of workers, freedom of establishment and freedom to provide services, underpins Directive 2005/36/EC on the recognition of professional qualifications**. The present initiative does not alter the substantive scope or overall architecture of the Directive, nor does it harmonise national rules on the organisation of professions or qualification requirements. The envisaged measures fall within the scope of Article 53(1) TFEU, as they aim to facilitate the effective recognition of qualifications and thereby enable access to regulated professions across MS.

3.2. Subsidiarity: Necessity and added value of EU action

The initiative concerns the functioning of the internal market, which is an area of shared competence between the Union and the MS pursuant to Article 4(2)(a) TFEU. Accordingly, the principle of subsidiarity applies. The existence of an EU legal framework in the form of the PQD since 2005, and the decision to maintain this instrument as the reference framework while amending and modernising it in 2013, illustrate the common understanding that EU-level action in this area is both necessary and appropriate. The need for Union action thus arises not only from the rationale for mutual recognition as such, which is already established, but from persistent shortcomings in the practical functioning and enforcement of an existing EU framework. **The initiative aims to improve this pre-existing legal framework for recognition at EU level.** Changes to the EU framework can only be done by EU level action. Recognition procedures inherently require interaction between CA in different MS, including the exchange and verification of information, validation of qualifications, and clarification of documentation. **Unilateral efforts by MS to streamline their own procedures do not resolve these cross-border frictions**, as they neither ensure reciprocity nor establish common operational rules for cooperation. These issues are structural and cross-border in nature and cannot be adequately addressed through isolated national measures Without coordinated action at Union level, the system remains dependent on heterogeneous practices and ad hoc communication, limiting the potential for simplification and efficiency gains. **Moreover, the integration of digital tools to facilitate recognition procedures requires a common**

[88] Thus, the choice of legal instrument is determined both by the TFEU provisions and the nature of the action.

framework to be effective. If developed separately at national level[89], such tools would risk fragmentation, duplication and lack of interoperability.

Union action is also necessary to strengthen transparency and enforcement of the existing rules. At present, the monitoring of recognition procedures relies largely on MS' self-reported data and individual complaints, which does not provide a comprehensive or reliable basis for assessing compliance and to enforce the rules in the event of systematic incompliance. Action at EU level is needed to ensure consistent and comparable data to support both national and EU-level corrective measures. Such transparency cannot be achieved through uncoordinated national systems. In the absence of Union intervention, the identified problems are likely to persist, resulting in continued delays, administrative burdens and legal uncertainty for applicants and CA. Coordinated EU action is therefore necessary to ensure that the existing framework operates as intended and that the rights conferred by the Treaties can be effectively exercised in practice. **A further coordinated EU framework would lead to more consistent and reliable recognition decisions across MS**. By streamlining information requirements, deadlines and cooperation practices, the initiative would reduce variability in how similar cases are handled and limit the risk of divergent or conflicting assessments. This can also facilitate the availability of reliable and comparable data, reduce administrative effort, lower reporting costs, and minimise risks of errors or inconsistencies, while enabling more timely and accurate monitoring.

EU-level action also offers clear economies of scale and avoids duplication of efforts. A common EU approach to streamlining key aspects of the recognition process is more cost-effective than multiple parallel national solutions, which may be incompatible or require complex interfaces. EU-level intervention ensures interoperability, thereby maximising the benefits of digitalisation and preventing fragmentation. While Union action requires initial adaptation efforts by national administrations, including changes to existing procedures and systems, these costs are expected to be offset by long-term efficiency gains, reduced administrative burden, and improved service delivery. Overall, EU action provides a more efficient and coherent solution than uncoordinated national approaches, delivering benefits that cannot be achieved at the same scale or consistency by MS acting alone.

4. OBJECTIVES: WHAT IS TO BE ACHIEVED?

The PQD has long provided a solid legal framework for the recognition of professional qualifications across MS, consolidating several previous instruments in this area. This initiative does not seek to overhaul the system established by the Directive, the effectiveness of which is evidenced by a constant stream of positive recognition procedures.[90] Rather, it aims to identify and address specific pain points, including both underutilised opportunities and persisting obstacles. Accordingly, the initiative is designed to remain proportionate and targeted, addressing only those issues that require action. Its objective is not to create a new

[89] The key elements need to be developed at the EU level and be further implemented at national level by transposing them to (ensure compatibility with) national legal frameworks.
[90] Cf. PQD Implementation Report 2020-2024 (COM(2026) 86), under 2: The Professional Qualifications Directive provides crucial support to mobility in the Single Market.

system, but to introduce focused improvements to enhance the functioning of the existing framework.[91]

4.1. General objective

The general objective of the action is to ensure the free movement of workers[92] in regulated professions across the EU. This contributes to the Union's overarching policy objective of deepening and strengthening the Single Market as a driver of competitiveness, resilience and sustainable growth, as reflected in recent Commission priorities and strategic reflections on Europe's economic performance. In this context, the action supports the objectives of the Union of Skills, notably by enhancing the portability and recognition of skills and qualifications, facilitating cross-border recruitment, and improving the matching of skills supply and labour market demand across MS. Furthermore, the initiative contributes to addressing structural labour shortages and skills mismatches, thereby supporting productivity growth and the efficient allocation of human capital, in line with the Union's broader competitiveness and innovation agenda. By promoting interoperable recognition systems through the uptake of digital tools, the action also aligns with the EU's digital transition objectives and the development of a more integrated and future-proof Single Market.

4.2. Specific objectives

This intervention is structured around three specific objectives, each addressing one of the identified problem drivers. For each objective, a corresponding reference is proposed. The latter are intended as concrete benchmarks rather than exhaustive reflections of the specific objectives they refer to. Acknowledging that quantitative indicators cannot fully capture the multifaceted nature of the problem drivers, they provide the essential empirical standards required to drive accountability and evaluate the intervention's impact.[93]

The first specific objective proposed (SO1) is to **ensure that information on qualification requirements and recognition procedures at national level is complete, clear and easily accessible**, in a manner that is consistent with the information made available at EU level under the PQD. The proposed point of reference for achieving this objective is the establishment of a single, reliable and up-to-date EU-level source of information, enabling applicants, employers and competent authorities to access accurate and comparable information across Member States. The second specific objective (SO2) is to **make recognition procedures faster, simpler and less burdensome**. The proposed benchmark for achieving this objective is a 25% reduction in the overall cost of recognition procedures compared to the baseline.[94] The third specific objective (SO3) is to **improve cooperation and communication among national competent authorities responsible for recognition procedures, as well as between national authorities and the Commission**. The proposed

[91] A visual representation of the objectives is provided in Annex 11.

[92] While the objective refers specifically to workers in regulated professions, it is relevant for all holders of EU qualifications seeking access to regulated professions, including self-employed.

[93] The specific objectives should be read in combination with the draft performance monitoring framework (Annex 9). They together outline what the success of the initiative could look like.

[94] In line with the 25% overall burden reduction target set out in the Competitiveness Compass. COM(2025) 30 final.

point of reference for achieving this objective is ensuring that requests for administrative cooperation are answered within a maximum period of two weeks, as a general rule.

The three Specific Objectives are **closely interrelated and mutually reinforcing**, as they address different but interdependent drivers of the same underlying problem. SO1 (clear and complete information) functions as a precondition for the effective operation of the system. When applicants have access to accurate, complete and consistent information on qualification requirements and recognition procedures, they are better able to identify the appropriate CAs and submit complete applications. This directly supports SO2, by reducing errors, requests for clarification and resubmissions, and indirectly supports SO3, by limiting avoidable information exchanges between authorities. SO2 (faster and less burdensome procedures) addresses the operational efficiency of recognition processes once applications are submitted. Streamlined procedures, clearer deadlines applicable across all recognition paths, and greater use of digital tools reduce processing times and administrative effort for both applicants and CAs. SO3 (improved administrative cooperation) underpins both SO1 and SO2 by strengthening trust, communication and consistency among CAs, and between them and the Commission. More timely and structured cooperation contributes to the accuracy and updating of information provided to applicants (SO1), and enables faster handling of cross-border verifications and recognition decisions (SO2).

The benchmarks proposed above are reflected in the indicators included in the monitoring framework presented in Chapter 9 and Annex 16. These indicators will be used to track progress towards the specific objectives and assess whether the initiative is delivering the expected results. The direct impacts of the initiative are expected to start materialising from 2029, once the implementation phase of the European Digital Recognition System (EDRS) in 2027 and 2028 has been completed. Wider impacts, including effects on professional mobility, labour market functioning and the overall performance of recognition systems, are expected to emerge progressively thereafter. Evaluating the initiative five years after the expiry of the transposition deadline[95] would allow sufficient time for both the direct impacts and the broader effects of the initiative to become observable.

5. WHAT ARE THE AVAILABLE POLICY OPTIONS?

5.1. What is the baseline from which options are assessed?

If no new measures are introduced at EU level, the Commission would continue to implement and enforce the current legal framework while MS would continue to make use of existing instruments at differing speeds, depth and levels of effectiveness.

Digitalisation of recognition-related processes would continue to advance, driven not only by the gradual rollout of the European Digital Credentials and national e-government reforms, but also by the ongoing implementation of EU-wide digital enablers, notably the Single Digital Gateway Regulation, the Once-Only Technical System[96] and the deployment of the

[95] This timeframe would be comparable to previous experience under thw PQD, which was evaluated in 2011, four years after the expiry of the transposition deadline.
[96] OOTSHUB Home - OOTSHUB

EU Digital Identity Wallet.[97] While these initiatives are not specifically designed for the recognition of professional qualifications, they provide concrete, Commission-developed tools that can be leveraged to streamline recognition procedures. Under the baseline, however, without any initiative to at least encourage, if not actively monitor, integration of these tools, **results would remain partial and uneven across MS** and professions, with significant untapped potential.

Under the baseline, **incremental improvements in certain aspects of recognition processes can be expected** by 2030. Continued progress in national referencing to the EQF and the availability of EU-level transparency tools (e.g. Europass, ESCO) are likely to enhance formal comparability of qualifications and mutual understanding between authorities. The gradual uptake of digital credentials and authentication tools may reduce fraud risks and enable faster checks in those MS and professions where such tools are fully integrated into administrative workflows. However, **these improvements are unlikely to translate into system-wide efficiency gains**. The voluntary and non-binding nature of most EU instruments means that procedural requirements, documentation standards, timelines, fees and appeal mechanisms are expected to remain diverse across MS. Fragmented digital uptake, the continued reliance on hybrid or paper-based procedures in many jurisdictions, and limited end-to-end interoperability between national systems are likely to constrain the practical usability of digital solutions.

Another dimension of the baseline concerns the **continued use and development of Common Training Frameworks** (CTFs).[98] The Commission is already actively working on this instrument and intends to continue advancing it in close cooperation with MS. As part of the SPI, specific professions have been identified as prime candidates to pilot and expand this collaborative framework. These include professions that are crucial for the EU's overall competitiveness and innovation potential, such as civil engineers and biomedical laboratory technicians; professions that play a key role in the green transition, including electricians, heating, ventilation and air-conditioning technicians, and landscape architects; as well as several care professions, such as nursing and health care assistants, occupational therapists and radiographers, and professions related to education, including kindergarten teachers and child care workers. A streamlined approach to CTFs will yield tangible time and cost savings for applicants while significantly freeing up administrative resources for CAs. However,

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[97] [EU Digital Identity Wallet Home - EU Digital Identity Wallet]

[98] The baseline scenario includes not only the provisions of the PQD itself but also the mechanisms and delegated powers already provided in it. In particular, Article 49a empowers the Commission to establish Common Training Frameworks (CTFs) through delegated acts, thereby extending automatic recognition to additional professions where the relevant conditions are met. The development of CTFs is therefore an existing possibility under the current framework rather than a new policy measure to be considered in this impact assessment. CTFs serve as a highly effective tool to facilitate existing mobility patterns for professions that already exhibit a sufficient level of convergence in national regulations and training requirements. By eliminating the need for the application of compensatory measures by host MS, a CTF enables the automatic recognition of qualifications that meet its harmonized criteria. The indirect link between CTFs and the policy options considered here is through improving administrative cooperation in the Group of Coordinators to facilitate the future development and implementation of CTFs. However, such measure would pursue wider objectives and would not be limited to that purpose. Consequently, any future extension of automatic recognition through CTFs is considered part of the baseline scenario rather than an impact attributable to the policy options assessed. Cf. Annex 9.

while CTFs deliver substantial, targeted benefits for the professions involved, the instrument is subject to structural limitations. Because it **relies on a high baseline of existing alignment of national regulatory measures**, a CTF can only be successfully deployed for a restricted number of professions. Furthermore, its ultimate success and take-up remain highly dependent on the political willingness of MS to implement it within their domestic legal systems. In conclusion, while expanding the use of CTFs in the future will successfully eliminate recognition frictions for specific mobile professionals, it is no substitute for a broader systemic reform on national level to ensure that regulation remains proportionate and is not expected to yield in itself across-the-board efficiency gains across the wider EU labour market.

Although the available evidence does not establish that the existing shortcomings will necessarily worsen over time, it is likely that **consequences will become more pronounced in the absence of further action**. This reflects broader developments affecting the context in which the Directive operates.

First, demographic change is reducing the size of the available workforce. The EU's working-age population is projected to shrink significantly over the coming decades, exacerbating labour and skills shortages across many sectors.[99] As Member States increasingly rely on the mobility of qualified professionals to address these shortages, recognition systems will need to process a growing number of applications efficiently and without unnecessary administrative burden.

Second, demographic ageing and increasing life expectancy are driving demand for healthcare and long-term care services, many of which are delivered by regulated professionals. At the same time, persistent labour and skills shortages will make it increasingly difficult for Member States to meet this demand from the domestic workforce alone. As a result, cross-border mobility of regulated professionals is expected to play an increasingly important role in addressing workforce needs.

Then, the green and digital transitions are transforming labour markets by creating demand for new skills and occupations and by changing the competences required in existing professions. This is likely to lead to more updates to training curricula, greater diversity of qualifications and, where appropriate, the regulation of new professions, increasing the complexity of recognition decisions.[100]

Finally, rapid technological progress and the digitalisation of public administration continue to raise the expectations of citizens and businesses for digital, user-friendly, interoperable and

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[99] The EU's population is projected to start decreasing before 2030 and to continue declining until 2100, while the size of the labour supply is expected to decrease by about 16% by 2070 compared to 2019, corresponding to a total loss of approximately 32 million potential workers in the EU. Cf. European Commission (2026b); European Commission (2021).

[100] Eurofound (2023), Measures to tackle labour shortages: Lessons for future policy, Publications Office of the European Union; ESDE (2023).

efficient public services. Recognition procedures that remain fragmented, paper-based or insufficiently digitalised risk becoming increasingly out of step with these expectations.

Against this background, administrative workloads are likely to increase faster than the coordination capacity, digital maturity and institutional resources of competent authorities. This may result in greater risks of delays, backlogs and inconsistent decision-making, particularly in professions characterised by high mobility or persistent labour shortages. Professionals may continue to experience delayed labour market entry or under-employment, while employers, especially SMEs, may face continuing difficulties in recruiting qualified professionals across borders despite persistent vacancies.

Overall, it cannot be concluded with certainty that recognition systems will perform worse under the baseline scenario. However, **as external pressures intensify, the existing shortcomings of the framework are likely to become increasingly consequential**. In this context, addressing these shortcomings becomes progressively more important to ensure that recognition systems remain efficient, responsive and capable of supporting the evolving needs of the Single Market.

5.2. Description of the policy options

Three policy options are presented below. Each option comprises a set of measures designed to contribute to all specific objectives and address all three problem drivers. Within each option, the measures proposed are broadly consistent in their nature, ranging from non-legislative measures to legislative measures combined with enforcement mechanisms. Moving from one option to another, the degree of ambition to ensure integrated results progressively increases. In a limited number of cases, a measure has been retained in a subsequent option where it remained compatible with the overall logic of that option and was not rendered unnecessary by other, more far-reaching measures. The analysis below is complemented by Annex 11, which presents and describes the specific measures included under each option.[101]

5.2.1. Option 1 – Convergence of administrative practices through shared standards

This option relies on n**on-legislative measures to complement the existing EU legal framework**, such as Commission guidance, common templates and voluntary peer reviews, to streamline administrative practices. It improves information quality by promoting interoperable information architectures and aligning EU-level sources with national sources

[101] A number of potential measures were examined during the preparation of this initiative but were ultimately not retained. These are presented in a dedicated table in Annex 12, structured by problem driver and listing, for each measure, the corresponding rationale for its dismissal. Most discarded measures raised concerns related to proportionality, feasibility or coherence with the existing framework. In particular, a number of options were considered either insufficiently effective to achieve the stated objectives, or disproportionate, notably where they would entail excessive administrative burden or go beyond what is appropriate in areas where MS retain significant competences.

and enhancing the clarity and consistency of national information. It promotes process efficiency and transition from paper-based processes to digital procedures, and supports in that context faster processing with fewer documentary requirements. To facilitate procedures, it introduces voluntary tools and soft measures, including an EU-developed AI-assisted workflow system, indicative shorter deadlines where applicants make use of EU digital credentials, shared standards for digital interoperability, and updated Code of Conduct provisions on proportionate documentation and reasonable fees. Cooperation among CA is reinforced through nonbinding IMI response deadlines, expanded training on digital tools, and encouragement to conduct recognition procedures fully online while allowing MS to choose their own systems. This approach acknowledges the diversity of national contexts and operational needs - for instance, differences in the number of CA, application volumes, or available administrative capacity – and consists of improvements which can be implemented without imposing uniform procedural requirements.

Policy measures proposed under PO1

Ensure complete and clear information on qualification requirements and recognition processes at national level, in line with EU level information[102]
• Issue Commission guidance on information structure and quality for CA websites • Carry out voluntary peer review of national portals
Make recognition processes faster, easier, and less burdensome
• Develop, for voluntary use by MS, an interoperable AI-assisted workflow management system to support CA in the recognition process and supporting applicants in preparing applications. • Develop shared understanding between MS on which standards to use, how to improve interoperability of digital systems for recognition (e.g. Community of practice via a GoC Subgroup) • Encourage processing of applications in shorter deadlines than provided in the PQD when EU digital credentials are used (e.g. update of Code of conduct, pilot with like-minded countries) • Ensure that the document requirements are proportionate (e.g. update the Code of Conduct, share best practices) • Issue guidelines (e.g.: a formula) to calculate reasonable fees for recognition processes (e.g. update the Code of Conduct, share best practices)

[102] As a flanking measure supporting all policy options, aimed at ensuring that information on recognition procedures and requirements is complete and clear, the Commission would launch a pilot on the use of chatbots as tools to support the provision of information to applicants.

Improve cooperation and communication among CA and between them and the Commission[103]
• Establish indicative response deadlines for administrative cooperation requests between CA (e.g., 2 weeks) and report regularly on non-compliance per country via GoC • Increase efforts to disseminate training on digital tools and processes (e.g.: IMI, EPC, etc.) to CA (training at more frequent intervals, recorded training with voice over in all EU languages, etc) • Encourage recognition processes to be entirely conducted online by CA (whilst allowing CA to choose their own system)

5.2.2. Option 2 – Targeted procedural reforms for improved interoperability

This option introduces **specific legislative amendments to the Directive aimed primarily at supporting the digitalisation and interoperability of recognition procedures** across MS, while preserving flexibility for national administrations in the organisation of their workflows. It supports improved information through automated updates of the RegProf and the possibility to deploy a chatbot to support applicants. It also improves the management of digital workflows while maintaining national flexibility. Some process improvements rely on voluntary uptake (e.g. an AI-assisted workflow tool would be made available by the Commission for national systems to integrate it at their own discretion) whereas others would be mandatory (e.g. verifiable, interoperable digital credentials would be mandated for the professions under automatic recognition). The identification of specific deadlines for each step of the recognition process, with a focus on the cooperation between CA, would help structure it and support shorter processing times. Documentation, translation requirements and fee practices would be further clarified by non-binding recommendations in the Code of Conduct. Binding deadlines for responses to administrative assistance requests would be introduced, while allowing MS to use their existing national digital workflows under a "digital first" principle. This option effectively structures the recognition process and data exchange without mandating a specific EU-wide digital workflow.

Policy measures proposed under PO2

Ensure complete and clear information on qualification requirements and recognition processes at national level, in line with EU level information
• Issue Commission guidance on information structure and quality for CA websites

[103] Another flanking measure, aimed at improving cooperation and communication among CAs, and between CAs and the Commission, would be the strengthening of cooperation within the expert group on the recognition of professional qualifications and its subgroups through the adoption of annual work programmes.

• Carry out voluntary peer review of national portals • Amend the PQD to ensure real-time automated update through interoperability with the RegProf database information on recognition decisions
Make recognition processes faster, easier, and less burdensome
• Develop, for voluntary use by MS, an interoperable AI-assisted workflow management system to support CA in the recognition process and supporting applicants in preparing applications, combined with a requirement for MS to ensure digital workflow for recognition procedures. • Amend the PQD to specify deadlines of individual steps of the recognition process with a view to shortening the overall deadlines • Amend the PQD to introduce legal obligation for MS issue Annex V qualifications as interoperable digital credentials[104] • Ensure that the document requirements are proportionate (e.g. update the Code of Conduct, share best practices) • Issue guidelines (e.g.: a formula) to calculate reasonable fees for recognition processes
Improve cooperation and communication among CA and between them and the Commission
• Amend the PQD to establish binding response deadlines for administrative cooperation requests between CA (e.g. 2 weeks) • Increase efforts to disseminate training on digital tools and processes (e.g.: IMI, EPC, etc.) to CA (training at more frequent intervals, recorded training with voice over in all EU languages, etc) • Require recognition procedures to be capable of being conducted online by CAs (whilst allowing CA to choose their own system, compliant with the AI-assisted workflow)

5.2.3. Option 3 – Unified EU workflow and enhanced enforcement

This option constitutes a **comprehensive procedural reform of the existing legal framework through legislative amendments, mandating a single EU-wide digital workflow across all MS**. It ensures the completeness and clarity of information on recognition requirements and procedures by further specifying the information to be provided

[104] This policy measure links with Action 1 of the SPI.

at national level and by enabling the automated updating of RegProf. It introduces a mandatory EU-wide digital workflow incorporating an AI-assisted management system to be integrated into a harmonised digital procedure applicable across all MS.[105] Legally binding deadlines for every procedural step are reinforced by a financial compensation mechanism for administrative delays. The option also introduces a significant reduction in documentation and translation requirements, while fees would also be standardised. Through binding deadlines with penalties for non-compliance, and mandatory training to CAs for all new tools and processes, the option also strengthens administrative cooperation and coherence in the recognition system and ensures consistent and simplified user experience throughout the Union.

Policy measures proposed under PO3

Ensure complete and clear information on qualification requirements and recognition processes at national level, in line with EU level information
• Amend the PQD to specify in more detail minimum content requirements for national information (regulated professions, documentation, timelines, fees, appeal rights etc.) • Amend the PQD to ensure real-time automated update through interoperability with the RegProf database information on recognition decisions.
Make recognition processes faster, easier, and less burdensome
• Develop, for mandatory use by MS an AI-assisted workflow management system to support CA in the recognition process and applicants in preparing applications • Amend the PQD to specify deadlines of individual steps of the recognition process with a view to shortening the overall deadlines, and foresee lump-sum compensation for non-compliance. • Amend the PQD to prevent MS from requesting additional information when receiving digital credentials (for professions in Chapter III of the PQD) • Amend the PQD to introduce a legal obligation for MS to issue Annex V qualifications as interoperable digital credentials and accept digital credentials as valid evidence of Annex V qualifications • Amend the PQD to further reduce documents requirements allowed by law. Add provision requiring MS to accept documents in all official EU languages. • Amend the PQD to include common rules to establish fees (not exceeding the cost of the

[105] The mandatory digital workflow would require adaptation by all MS, and public administrations currently display varying levels of digital maturity. The implications of these differences, including implementation challenges and associated costs, are discussed in the assessment of impacts below.

service provided) that CA can charge applicants for the recognition process.
Improve cooperation and communication among CA and between them and the Commission
• Amend the PQD to establish binding response deadlines for administrative cooperations requests between CA (e.g. 2 weeks) and foresee lump-sum compensation (i.e.: penalty fee) for non-compliant CAs • Increase efforts to disseminate training to CA (training at more frequent intervals, recorded training with voice over in all EU languages, etc). Participation becomes mandatory for all new tools or processes to guarantee coherent implementation across MS. • Mandate that recognition processes be entirely conducted online by CA with the AI-assisted workflow provided by the Commission (Digital-Only Principle).

The European Digital Recognition Solution

Design and operation

The preferred option establishes a **single European Digital Recognition Solution (EDRS)** supporting the complete workflow for the recognition of professional qualifications. The system does not harmonise national recognition rules or affect Member States' competence to regulate professions or decide on recognition requests. Competent authorities remain fully responsible for assessing applications and taking recognition decisions in accordance with national law and Directive 2005/36/EC. The initiative only harmonises the workflow.

The proposed digital solution **covers the entire recognition procedure from end to end**. It provides applicants with a single entry point where they can identify whether a profession is regulated in the Member State of destination, understand the applicable requirements, prepare and submit their application, upload supporting documents and follow the progress of their case. For competent authorities, the system provides integrated workflow management, document management, communication with applicants and other competent authorities, support for the assessment process, issuance of decisions and automatic statistical reporting. It therefore replaces fragmented procedural arrangements with a single digital workflow applicable across all professions and all competent authorities.

This represents a significant evolution compared with the current situation. Recognition procedures remain predominantly national, with varying degrees of digitalisation. Some competent authorities rely entirely on paper-based procedures, others operate partially digital systems, while others have developed national online portals covering only specific parts of the procedure.[106] At EU level, digital cooperation is currently limited mainly to the IMI system, which facilitates administrative cooperation between competent authorities, and to the EPC, whose digital workflow applies only to a limited number of professions. The preferred option builds on these existing instruments while extending digital processing to all professions covered by the Directive.

In practice, the recognition procedure would operate through a **single workflow**. An applicant wishing to establish in another Member State would first access the digital interface to obtain information on the applicable recognition procedure and the documents required. Where available, applicants could submit digital credentials issued under the EUDI framework or evidence retrieved through the SDG and the OOTS. Where equivalent digital evidence is not available, or where applicants have limited digital skills or access to digital tools, competent authorities would continue to accept non-digital submissions and, where necessary, digitise the application and manage it within the system on the applicant's behalf. This ensures that digitalisation improves efficiency without excluding any applicant.

Once the application has been submitted, it is made accessible by the competent authority of the host Member State. The authority performs the preliminary verification of completeness within the deadlines established by the Directive, requests any missing information where necessary and communicates with applicants directly through the system. Where cooperation with authorities in another Member State is required, all exchanges also take place within the same workflow. Throughout the procedure, applicants can monitor the progress of their application, while competent authorities benefit from automated workflow management, deadline monitoring and secure document handling.

The system would also include **digital support functions** designed to reduce administrative burden while leaving all substantive decisions to competent authorities. Artificial intelligence tools would support the automatic translation of documents submitted in any official Union language, facilitate document classification, compare submitted evidence against the procedural requirements applicable to each profession and assist in identifying potentially fraudulent or inconsistent documents. These functionalities support administrative processing but do not replace the assessment carried out by competent authorities, which remain solely responsible for the recognition decision.

The preferred option also provides a clear allocation of responsibilities between the Commission and Member States. The Commission would design, develop, operate and maintain the common digital infrastructure extending the existing IMI platform. It would be responsible for the technical operation, cybersecurity, maintenance, future upgrades and interoperability with other Union digital infrastructures. Member States would continue to designate competent authorities, process applications, communicate with applicants, assess qualifications and adopt recognition decisions in accordance with their national legislation. **The Commission therefore provides the common procedural infrastructure, while Member States retain full responsibility for the substantive recognition procedure**.

[106] A 2024 Commission study identified only around 40 digital solutions across more than 3 000 competent authorities in the Union, most of which were limited to information provision or electronic submission of applications. None supported the complete recognition workflow envisaged under this initiative.

Unlike the intermediate policy option, the preferred option does not require Member States to develop or maintain separate national workflow systems. The common European workflow constitutes the operational system used by all competent authorities. Consequently, interoperability with national recognition systems is not required because recognition procedures are managed directly within the common infrastructure. This considerably reduces implementation risks associated with the development of 27 different national solutions and ensures a uniform level of digital functionality across the Union. Interoperability is instead only required with complementary Union digital infrastructures, notably IMI, the EUDI framework, digital credentials, the SDG and the OOTS. These interfaces are developed centrally by the Commission, ensuring consistent implementation and avoiding divergent national technical solutions.

The proposed solution is therefore not conceived as a new standalone platform but as a modular evolution of the existing digital infrastructure. It reuses established governance arrangements, user management, security architecture and administrative cooperation mechanisms while extending them to support the complete recognition workflow. It also builds on the experience gained through the European Professional Card, replacing its profession-specific digital procedure with a scalable solution covering all professions while maintaining compatibility with future developments in digital credentials and evidence exchange.

The initiative guarantees that digitalisation increases efficiency without creating new barriers to access. The resulting system combines **a single European digital workflow with flexibility during implementation and coherence with the wider Union digital ecosystem**.

Coherence with relevant tools and initiatives

The proposed digital solution has been designed to build on existing Union digital infrastructures rather than duplicate them. It reuses existing systems where these already provide the required functionality, adapts or extends them where necessary and creates synergies with other initiatives under the Skills Portability Initiative and the wider EU digital ecosystem.

The **IMI system** will continue to be the backbone for administrative cooperation. It already provides the secure infrastructure for administrative cooperation between competent authorities under Directive 2005/36/EC. Rather than establishing a parallel platform, the initiative extends the communication workflow in IMI with a complete workflow management system covering the entire recognition procedure. This approach allows the initiative to benefit from existing governance arrangements, user management, security architecture and operational experience while avoiding duplication of IT investments and limiting implementation risks.

The initiative is closely linked to SPI Action 1, which promotes the digitalisation of qualifications through the European Digital Identity (EUDI) framework for all professions. Action 2 enables the use of these digital credentials as the means for submitting qualifications in recognition procedures for regulated professions. Where available, applicants will also be able to reuse evidence retrieved through the **Single Digital Gateway (SDG)** and the **Once-Only Technical System (OOTS)**, reducing the need to submit the same documents repeatedly. For professions benefiting from automatic recognition, the proposal goes a step further by requiring competent authorities both to issue and to accept digital qualifications without requesting further evidence or additional verification. The Commission will ensure the interoperability of the European Digital Recognition Solution with the EUDI framework, digital credentials, the SDG and the OOTS through centrally developed interfaces, guaranteeing consistent implementation across the Union while avoiding divergent national technical solutions. The two initiatives are therefore mutually reinforcing: Action 1 establishes the framework for issuing trusted digital credentials and other digital evidence, while Action 2 provides the operational recognition workflow through which these digital assets can be effectively used in regulated professions and, in particular, ensures that digital credentials achieve their full potential in the system of automatic recognition.

The initiative builds on the experience gained with the **European Professional Card (EPC)**. The EPC demonstrated the benefits of digital handling of recognition procedures but remains limited to a small number of professions. The proposed solution replaces this profession-specific approach with a single, scalable workflow applicable across all professions covered by the Directive while reusing the operational experience, governance arrangements and technical lessons developed through the EPC.

The initiative also complements the **Regulated Professions Database (RegProf)**, which remains the Union's authoritative source of information on regulated professions, competent authorities and recognition requirements. Information contained in RegProf will be restructured using the classifications of European Skills, Competences, Qualifications and Occupations (ESCO), and directly feed the applicant interface of the European Digital Recognition Solution, ensuring that applicants always access a single, reliable and up-to-date source of information when preparing their application. At the same time, the operation of the digital workflow will automatically generate and update information relevant to RegProf, including changes relating to competent authorities, regulated professions and statistical data on recognition procedures. The two systems will therefore be synchronised, improving the completeness, quality and timeliness of information while reducing duplicate reporting and manual updates by Member States.

Finally, the initiative creates important synergies with SPI Action 3 concerning the recognition of qualifications held by third-country nationals. By establishing a single European digital workflow linking applicants and competent authorities across all Member States, Action 2 creates a common procedural infrastructure that can also support the handling of recognition applications from third-country nationals. Rather than requiring separate digital solutions for different categories of applicants, the same workflow, case management tools, document handling and communication mechanisms can be used irrespective of whether the applicant is an EU citizen or a third-country national, while applying the respective legal rules governing each procedure. This reduces administrative fragmentation, avoids duplication of IT developments and facilitates the future implementation of Action 3 by providing an operational digital infrastructure on which it can build.

Taken together, these interactions ensure that the proposed digital solution complements rather than duplicates existing Union initiatives. It creates a coherent digital ecosystem in which existing infrastructures perform their respective functions while contributing to a seamless recognition procedure for applicants and competent authorities.

6. WHAT ARE THE IMPACTS OF THE POLICY OPTIONS?

This chapter examines the economic and social impacts of the proposed policy options. Section 6.1 analyses the **direct cost impacts** associated with each option. The direct impacts associated with each option comprise both benefits and costs. On the benefits side, these include administrative cost savings and monetised time savings for applicants, employers and competent authorities. On the costs side, they include implementation costs as well as additional administrative costs related to the expected increase in the volume of recognition applications and cases generated by the policy options. Administrative cost savings (under 6.1.1) include reductions in regulatory burdens for mobile professionals and, where they are involved in recognition procedures, their employers, as well as for competent authorities, while monetised time savings capture the direct microeconomic benefit for mobile professionals resulting from faster recognition procedures.[107] The implementation costs estimated in Section 6.1.2 consist primarily of the IT development costs associated with the three policy options, while Section 6.1.3 estimates costs related to the expected volume increases.[108] **Broader economic impacts** are presented qualitatively in section 6.2.[109] These include the impacts on the competitiveness of firms which are related to increased recruitment opportunities, mitigation of critical shortages, reduced attrition and turnover as well as macroeconomic impact such as improved allocative efficiency and asymmetric shock absorption. Section 6.3 analyses the **social impacts**, including employment opportunities, upward career mobility, combatting undeclared work, equal treatment, access to essential services. Together, these elements form the basis for the comparative assessment of the policy options in Chapter 7.[110]

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[107] In this analysis, these time savings are quantified as individual gross value added (GVA) gains stemming from faster occupational matching.

[108] The expected volume increments used in the total burden calculation (+5%, +8–10% and +10–15%) are calibrated policy-scenario assumptions rather than estimates derived from a statistical model. This approach is appropriate because the relevant counterfactual—the number of professionals who would have initiated a recognition procedure in the absence of existing procedural barriers—is not observable, and no Member State systematically collects data on professionals who considered applying but ultimately did not do so. Moreover, historical recognition volumes cannot be reliably extrapolated due to structural breaks caused by the withdrawal of the United Kingdom and the mobility restrictions during the COVID-19 pandemic (2020–2022). The selected increments are therefore anchored in the available evidence on the existence of induced demand. In particular, 524 of 785 respondents to the SPI public consultation identified lengthy, complex and costly recognition procedures as an important problem, while the contractor's survey of citizens and professionals confirmed that procedural barriers—including the time required to complete the process, its costs (e.g. fees, translations and notarisation) and difficulties in accessing information or using partially digital procedures—discourage applications. By analogy, the ex ante impact assessment accompanying the Single Digital Gateway Regulation also identified an induced demand effect resulting from procedural simplification of comparable scope. The increments are deliberately conservative, remaining small relative to the baseline of approximately 53 000 recognition procedures per year and increasing gradually with the expected intensity of intervention under each policy option. They should therefore be understood as plausible volumes induced by the removal of procedural barriers, used as calibrated assumptions for the comparative assessment of the policy options rather than as forecasts of future recognition volumes.

[109] Since these macro-level benefits depend on complex, long-term market dynamics, any attempt at precise quantification would require overly extensive modelling assumptions.

[110] *Note on environmental impacts*: An assessment of environmental factors has not been carried out, as this initiative is not expected to have significant environmental impacts, including under the 'do no significant harm' (DNSH) principle and climate consistency requirements. The envisaged measures may nevertheless entail certain

6.1. Direct cost impacts

6.1.1. Administrative cost savings and monetised time savings

The three policy options are expected to generate cost-savings for stakeholders through their effects on the compliance costs and administrative burden associated with recognition procedures under the PQD. The main stakeholders in this context are professionals seeking recognition and CAs[111]. For the purposes of cost estimation, recognition activity is treated as constant over the medium term, with an annual baseline volume of approximately 53 000 procedures per year**.** [112] The total administrative cost[113] is estimated by multiplying this number of procedures by the unit cost per procedure, which is EUR 330 per procedure for applicants and EUR 950 for CAs (combined unit cost of EUR 1 280 per procedure).[114] This gives a total annual cost of EUR 67.8 million. Given that the development phase is expected to take place in 2027–2028, the estimation assumes that the associated benefits begin to materialise from 2029 onwards.

Under PO1, non-binding measures are expected to generate modest reductions in administrative costs for both applicants and CAs. The effect is concentrated on the most information-sensitive cost components, where guidance-based simplification can have a direct impact. The savings attributable to each cost component reflect the specific mechanisms through which PO1 measures are expected to operate.[115] Cost-savings are estimated as

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limited positive environmental effects, notably through the gradual replacement of paper-based procedures by digital processes, thereby reducing paper consumption and the carbon footprint associated with administrative procedures. In addition, the initiative is expected to benefit establishment more than the temporary and occasional provision of services, in line with trends observed under the current system. Between 2020 and 2024, around 185 000 decisions were taken by EU MS on the recognition of professional qualifications for the purpose of establishment, compared to around 40 000 declarations submitted for the temporary and occasional provision of services in another Member State over the same period. This suggests that the initiative is not expected to lead to significant additional transport-related environmental impacts.

[111] Employers also sometimes bear costs when seeking to recruit professionals in regulated professions; According to survey data collected through the SME Panel Survey (n = 159), 19 respondents indicated that recognition procedures are handled directly by the employer on behalf of the prospective employee, while 47 respondents indicated that the employer supports the procedure, with the employee retaining responsibility for it. The cost savings for employers are discussed in more detail below and in Annex 4.

[112] Cf. above Section 2.

[113] For the purposes of this report, administrative costs and administrative cost savings are understood not only as costs borne by, or savings realised by, public administrations, but more broadly as all expenses associated with the completion of the administrative recognition procedure, whether borne by the applicant, the competent authority or the employer. The breakdown of these cost components is provided in Annex 4.

[114] The unit cost corresponds to the combined applicant and competent authority administrative costs incurred per recognition procedure. To estimate this, three primary data sources have been used in addition to the RegProf database: the CA survey (n=81), the citizens/professionals survey (n=48), and the SPI public consultation (n=785), triangulated against the data collected for the PQD implementation report. Cf. Annex 4.

[115] Fee reductions at the qualification-issuing institution and home CA level (gross saving 5–10%) are expected to materialise through clearer pre-application guidance reducing the number of documents resubmitted, as documented in ECA Special Report 2024-10 (document proliferation as primary cost driver) and confirmed by the GoC Focus Group (4 March 2026), where 24 out of 28 CA identified information gaps as a primary workload driver. Improved information on documentation requirements is expected to reduce by 10–15% the number of documents being unnecessarily translated. Notarisation, postal and CA fee components are expected to yield modest reductions (5–10%) through reduced document volumes and clearer fee information, consistent

percentage reductions in the baseline per-procedure burden and reduced by a realisation factor (i.e.: a percentage) reflecting expected partial achievement of savings.[116] For PO1, the expected administrative cost savings for applicants and CAs are estimated at EUR 81.5 per procedure.[117] At the SCM baseline of 53 000 procedures per year,[118] the aggregate **annual administrative savings for applicants and competent authorities** under PO1 are estimated at approximately EUR 4.3 million (recurrent, starting from 2029).

In addition to these administrative cost savings for applicants and CAs, the direct cost impacts include monetised time savings for applicants: as recognition procedures become faster and waiting times decrease, applicants can more quickly enter the regulated profession for which they are qualified, translating into higher productivity and wages at the individual level. Applying the calculation method explained in Annex 4,[119] Option 1 is expected to yield for the applicants **additional monetised time savings** of EUR 86.2 million per year (recurrent, starting from 2029).

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with evidence on fee opacity as a barrier (SWD (2026) 64). CA variable staff costs are expected to decline (gross saving 5–10%) through a reduction in preliminary enquiries and incomplete submissions, which Q18 of the CA survey identifies as a significant driver of processing time; the GoC Focus Group (4 March 2026) confirms that pre-application guidance directly reduces this workload. CA other variable costs (gross saving 3–7%) reflect modest efficiency gains from standardised document checklists and voluntary digital tools.

[116] The realisation factors reflect expected effectiveness of the policy option, i.e. the extent to which the intended specific objectives are achieved in practice. They are calibrated based on qualitative evidence, institutional design, and comparable impact assessments. For further details on the realisation factors applied under each policy option, cf. footnotes accompanying the respective policy option tables in Annex 13.

[117] Cf. tables in Annex 13 (The first five cost elements shown in the tables for PO1, PO2 and PO3 relate to applicants, while the last three relate to CAs. Accordingly, the administrative cost savings associated with the first five elements are obtained by applicants, whereas those associated with the last three elements in those tables are obtained by CAs). The sources used for the calculations are: citizens/professionals survey (Q17: In the most recent recognition procedure you were involved in, what were the approximate out-of-pocket costs borne by you (in EUR)?" - the total is constructed as the sum of six cost components: fee paid to the qualification-issuing institution, fee paid to the home competent authority for the official documents required, certified translation costs, notarisation or apostille costs, postal or courier charges, and the host competent authority application fee); CA survey (Q9, Q11, Q18: Survey on costs targeted at CAs, Q9: "What is the average annual salary (in EUR) of staff involved in managing the recognition process in your organisation?" Q11: "What are the annual estimated costs – in terms of man-days – incurred by your organisation to conduct the following activities?" Q18: "What is the estimated annual cost – in terms of man-days – for the following activities?"); Scholz and Rohr (2026) "How can AI translations be used for equivalence assessments?", in study supporting this IA. Savings apply the 60% realisation factor to the minimum and maximum gross savings. The estimate (EUR 81.5 per procedure) is the midpoint of the resulting range (EUR 55–108).

[118] In limited number of cases, the total or part of the host CA calculation fees could be borne by a prospective employer (see 6.1.5 below).

[119] As explained in Annex 4, the baseline assumes approximately 53 000 recognition procedures per year. Of these, around 24 380 fall under the automatic recognition system, where the average monthly salary is estimated at between EUR 4 000 and 4 500, while for the remaining cases the average monthly salary is estimated at between EUR 3 000 and 3 500. The calculation of saved wages is based on the expected reduction in processing time, notably the reduction from three months to one month for the automatic system and from four to three months for the general system. It also takes into account the share of respondents indicating that they remain unemployed or employed in positions not corresponding to their qualifications while awaiting a recognition decision, and the realisation factor applicable to the PO. Applying this methodology to both automatic recognition and general system cases leads to an estimated total annual welfare gain for PO1 of between EUR 80.7 million and 91.8 million. The detailed calculation methodology is set out in Annex 4.

Beyond the costs incurred by applicants and competent authorities, recognition procedures also generate administrative costs for employers seeking to recruit professionals qualified in another Member State. These costs arise from the internal staff time devoted to supporting or managing recognition procedures, the payment of recognition fees where employers submit applications on behalf of prospective employees, and expenditure on external legal or consultancy services to navigate cross-border recognition requirements. The estimates are based on the SME Panel Survey conducted by the European Commission through the EU Survey portal in 2026 (159 SMEs across 18 EU and third countries).[120] Of the 159 respondents, 19 indicated that they directly manage recognition procedures on behalf of prospective employees, including the payment of the associated fees. This corresponds to approximately 12% of recognition procedures involving direct employer participation and forms the basis for the calculations. Respondents also estimated that a common EU digital recognition system could reduce employer-borne administrative costs by between 26% and 36%, depending on the cost category. [121] Applying the realisation factors used for each policy option (60% under PO1, 75% under PO2 and 95% under PO3) to this expected saving, and assuming approximately 6 360 employer-managed procedures annually with an average administrative cost of EUR 814 per recruitment,[122] results in expected aggregate annual **reduction in employer-borne administrative costs** of approximately EUR 1.0 million under PO1.[123]

Thus, Option 1 would result in annual (recurrent, starting from 2029):

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[120] SME Panel Survey on Cross-border Recruitment and Recognition of Qualifications, European Commission, 2026. Conducted via the EU Survey portal under the SME Panel consultation framework, as part of the impact assessment of the Skills Portability Initiative. Respondent profile: 159 SMEs from 18 EU and third countries, with the largest contributions from Spain (47 respondents), Greece (23), Poland (21), Italy (9), Germany (8), France (8) and Romania (8). Distribution by business size: 47 micro-enterprises (1–9 employees), 50 small enterprises (10–49 employees), 36 medium-sized enterprises (50–249 employees), 17 large enterprises (250 employees or more), and 9 self-employed respondents. Source: SME Panel Survey Summary Report, Tables 0–2.

[121] SME Panel Survey on Cross-border Recruitment and Recognition of Qualifications (2026), Summary Report, Table 14 'Anticipated cost savings from a common EU digital recognition system, by cost category'. Mean anticipated savings were reported by 35 SME respondents for fees charged by recognition bodies, 35 for translation and certification costs, 35 for bridging or training costs, 34 for external consultancy or legal support, 35 for internal administrative time, 32 for recruitment-related costs, 32 for onboarding delays and reduced productivity, 33 for compliance costs, and 32 for risk-related costs. The 26%–36% range cited in the text reflects the lower bound (fees for recognition bodies) and the upper bound (internal administrative time) across the cost categories most directly relevant to the administrative burden of the recognition procedure.

[122] Among respondents who provided a quantitative estimate (n=7), the mean external cost per hire for the recognition of non-national EU qualifications is in the order of EUR 814, with a median of EUR 250, a maximum of EUR 3 500 and a minimum of EUR 50. Component-level figures reported separately in the Survey's cost-category breakdown — fees for recognition bodies (mean EUR 407), internal administrative time (mean EUR 354) and external consultancy or legal support (mean EUR 545) — are not additive to the per-hire total, as they are derived from partially overlapping respondent groups and capture distinct dimensions of cost rather than incremental components of a single estimate. SME Panel Survey, Summary Report, Table 12 'Cost estimates by qualification origin', row 'Non-national / EU qualifications', column 'External cost per hire (EUR)': mean 814, maximum 3 500, median 250, minimum 50, n=7 respondents providing a valid quantitative estimate. The figure is reported in the Summary as a single aggregate variable (the total external cost per hire) and is not decomposed at this level into incremental components.

[123] Annex 4 explains in more detail the methodology used to estimate administrative costs borne by employers and the measures taken to ensure that costs incurred by employers and applicants are not counted twice.

- administrative savings for applicants and competent authorities: EUR 4.3 million
- monetised time savings for applicants: EUR 86.2 million
- administrative savings for employers: 1.0 million

The cumulative present value of these direct cost savings over the period 2029–2040 is estimated at EUR 858.5 million, discounted to 2026 using a 3% discount rate.[124]

PO2 consists of binding legislative measures complemented by voluntary digital tools, which directly addresses the dominant cost drivers identified in the survey data and focus group evidence: translation and documentation proliferation, excessive CA staff time on document verification, and opaque fee. The binding character of the measures is expected to produce materially larger cost-savings.[125] For PO2, the expected administrative cost savings for applicants and CAs are estimated at EUR 243 per procedure.[126] At the baseline of 53 000 procedures per year, the aggregate annual saving under PO2 is estimated at approximately EUR 12.9 million administrative cost savings for applicats and competent authorities (recurrent, starting from 2029). Applying the calculation method explained in Annex 4, Option 2 is expected to yield additional monetised time savings of EUR 107.8 million per year to the applicants.[127] Similarly to Policy Option 1, there would also be administrative cost savings for employers. Applying the methodology explained above, these savings are estimated at EUR 1.2 million per year for PO2.

Thus, Option 2 would result in annual (recurrent, starting from 2029):

- administrative savings for applicants and competent authorities: EUR 12.9 million
- monetised time savings for applicants: EUR 107.8 million
- administrative savings for employers: 1.2 million

The cumulative present value of these direct cost savings over the period 2029–2040 is estimated at EUR 1 143.7 million, discounted to 2026 using a 3% discount rate.

Under PO3, a more comprehensive legislative revision is expected to produce the most comprehensive reduction in per-procedure costs. It substantially reduces, and in some cases eliminates, the translation and documentation burden, which is a dominant cost component,

[124] Cf. Annex 13.
[125] The savings attributable to each cost component reflect the PO2 binding measures. Recommendations on proportionate document requirements are expected to reduce (gross saving 30–50%) both the number of documents submitted and the share requiring certified translation, consistent with evidence (Scholz and Rohr (2026)) confirming significant translation cost reduction potential under standardised documentation regimes. CA variable staff costs (gross saving 15–25%) reflect the combined effect of binding procedural deadlines — which reduce the volume of follow-up interactions — and digital tools supporting document verification; the CA survey (Survey on Costs targeted at CAs, Q18) identifies document verification and follow-up as the dominant time cost. Fee components (gross saving 10–25%) through guidelines on canculation of reasonable fees consistent with evidence data (SWD(2026) 64 final) on fee heterogeneity and GoC Workshop findings (Consultation Workshop with GoC members on the problem definition) on the prevalence of unjustified fee structures. Reductions in CA other variable costs (gross saving 10–20%) reflect efficiency gains from procedural standardisation.
[126] Cf. table in Annex 13.
[127] Cf. Annex 4.

standardises CA processing workflows, and substantially reduces procedural discretion. The realisation factor of 95% reflects the mandatory character of the provisions, with very limited scope for national discretion following transposition. For PO3, the expected administrative cost savings for applicants and CAs are estimated at EUR 512.5 per procedure.[128] The savings attributable to each cost component reflect the comprehensive scope of PO3 mandatory measures.[129] At the SCM baseline of 53 000 procedures per year, the aggregate annual saving under PO3 is estimated at approximately EUR 27.2 million (recurrent, starting from 2029). Applying the calculation method explained in Annex 4, Option 3 is expected to yield additional monetised time savings of EUR 136.6 million per year to the applicants. In addition, there would also be administrative cost savings for employers. Applying the methodology explained above, these savings are estimated at EUR 1.5 million per year for PO3.

Thus, Option 3 would result in annual (recurrent, starting from 2029):

- administrative savings for applicants and competent authorities: EUR 27.2 million
- monetised time savings for applicants: EUR 136.6 million[130]
- administrative savings for employers: 1.5 million

The cumulative present value of these direct cost savings over the period 2029–2040 is estimated at EUR 1 550.9 million, discounted to 2026 using a 3% discount rate.

The table below shows the discounted cumulative benefits by policy option for the period 2029–2040, broken down into administrative cost savings for applicants and competent authorities, monetised time savings for applicants, and administrative cost savings for employers. All values are expressed as discounted present values.

Table 1 - Savings (EUR million) 2029-2040 Cumulative present value	Policy Option 1	Policy Option 2	Policy Option 3
Administrative cost savings (applicants and CAs)	40.3	121	255.2

[128] Cf. table in Annex 13.
[129] The certified translation component (gross saving 50–80%) is structurally transformed under PO3: mandatory digital credentials are expected to substantially reduce, and in some cases eliminate, the need for certified translation across a large share of procedures, consistent with early pilot findings (e.g. DC4EU) suggesting that digital credential verification can substantially reduce manual processing times, and with evidence (Scholz and Rohr (2026)) on the upper bound of translation cost reduction potential. CA variable staff costs (gross saving 25–40%) reflect the elimination of manual document verification through digital credential systems, the enforcement of binding deadlines with sanctions, and the standardisation of assessment workflows; Q18 of the CA survey identifies document verification as the dominant time cost, and the GoC Focus Group (4 March 2026) confirms that mandatory streamlining would materially reduce processing time across all procedure types. Fee components at issuing institution and host CA level (gross saving 20–40%) are expected to decline substantially through mandatory harmonisation and caps, removing the fee heterogeneity documented in the ECA Special Report and in SWD (2026) 64. CA other variable costs (gross saving 20–35%) reflect near-complete elimination of discretionary administrative steps through mandatory standardisation.
[130] Cf. Annex 4 for a sensitivity analysis of monetised time savings under the preferred option.

Table 1 - Savings (EUR million) 2029-2040 Cumulative present value	Policy Option 1	Policy Option 2	Policy Option 3
Monetised time savings (applicants)	808.8	1 011.4	1281.7
Administrative cost savings (employers)	9.4	11.3	14.1
TOTAL	**858.5**	**1 143.7**	**1 550.9**

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Above, under the specific objective of making recognition processes faster, easier and less burdensome, a reference point was proposed consisting in a possible reduction of the overall cost of recognition procedures by 25%. The 25% simplification target used in EU Better Regulation discussions is treated here as an indicative reference point rather than as a binding target, in line with the analytical purpose of the assessment.[131] Considered against this reference: PO1 would deliver a comparatively limited annual reduction in the total system burden of approximately 7.8% (5.3/67.8 million EUR) relative to the annual baseline; PO2 would deliver an annual reduction in total system burden of approximately 20.8% (14.1/67.8 million EUR); and **PO3 would deliver annual reduction in total system burden of approximately 42.3% (28.7/67.8 million EUR) relative to the annual baseline**.

6.1.2. Implementation costs

This section assesses the implementation costs[132] associated with the different policy options and identifies whether these costs would be borne by the Commission or by MS' national administrations, including CAs.[133] Under all policy options, digital workflows would be implemented, but their deployment would vary: PO1 would rely on the voluntary use of the EU-level tool by MS; PO2 would introduce a mandatory workflow, with MS having the choice to implement the workflow on national level or to voluntarily use the EU-level tool; PO3 would require the use of a mandatory EU-level tool. In options 1 and 3, the Commission would set up and operate the workflow management system, while Member States would use it on a voluntary basis in option 1 and on a mandatory basis in option 3. As the procedure would run within the common EU system, interoperability with national systems would not be required. In option 2, by contrast, implementation would depend on both the Commission and Member States: the Commission would enable cross-border communication and statistics, while Member States would maintain national systems aligned with a common workflow. This option therefore requires substantial interoperability and carries higher risks of incomplete compliance, uneven implementation and delayed deployment.

[131] Cf. Section 4.2 above.
[132] The implementation of the policy options would also entail compliance and legal adjustment costs, beyond IT-related investments. notably due to the need to adapt national laws, administrative procedures and organisational practices. Nevertheless, given the central role of digitalisation and interoperability measures in the initiative, the assessment below focuses primarily on estimating the main costs associated with the development, adaptation, operation and maintenance of the relevant IT systems and digital infrastructures.
[133] The description here is supported by a table in Annex 13, complemented by a detailed breakdown of the different cost components in Annex 4.

In all three options, the Commission would cover the costs of developing and operating the European Digital Recognition System (EDRS) at EU level. The EDRS would include: a common digital workflow; state-of-the-art interfaces for applicants and competent authorities; AI-supported tools to streamline the handling of recognition applications; interoperability with key Commission systems, such as the SDG Once-Only Technical System (SDG-OOTS) and the European Digital Identity Wallet (EUDI Wallet); analytics and statistics dashboards; and integration with an enhanced Regulated Professions Database. One-off development costs, covering security, release, training and communication activities), are estimated at EUR 4.46 million and would be incurred equally in 2027 and 2028. Following the system's launch at the end of 2028, annual operational costs, covering hosting, maintenance and user support, are estimated at EUR 1.09 million during a two-year stabilisation period (2029–2030) and EUR 0.65 million thereafter (2031–2040).

The identical costs in all three policy options would thus be:

- One-off implementation costs (split over 2 yrs): EUR 4.46 million
- Operation costs (years 1 & 2): EUR 1.09 million per year
- Operation costs (year 3 onwards): EUR 0.65 million per year

The total implementation cost for the 2027-2040 period would be EUR 13.12 million, or **EUR 11.14 million, expressed in present value terms and discounted to 2026 at a rate of 3%.**

Under **policy option 2, additional costs would need to be borne by MS** opting for national solutions (e.g., to improve interoperability with domestic systems). These are estimated to face one-off costs of EUR 2.89 million per MS (split over two years). Such costs would cover the adaptation and development of national systems, integration with EU shared services, EUDI verification and issuing features, and SDG-OOTS verification integration. Annual operational costs per national system are estimated to be EUR 0.29 million. Total costs for MS for the period 2027-2040 would depend on the uptake of the EU-level solution: EUR 0 if all MS use the EU-level solution; up to EUR 171.67 million if all develop national solutions; EUR 69.94 million in a realistic scenario where 11 MS implement national solutions. Over the period 2027–2040, **the total cost is estimated at EUR 60.24 million in discounted present value terms, expressed in 2026 prices and applying a discount rate of 3%.**

The total implementation costs for the 2027-2040 period would thus be: PO1 and 3: EUR 13.12 million (discounted at 3%: EUR 11.14 million); PO2 (realistic scenario): EUR 83.06 million (discounted at 3%: EUR 71.38 million).

6.1.3. Costs related to expected volume increases

On top of the IT implementation costs, one should also consider the costs related to the expected volume increases in recognition procedures (see footnote above).[134] Under PO1, the expected increase corresponds to approximately 2 650 additional procedures annually from

[134] As explained in Annex 13, each recognition procedure entails an average cost of EUR 1 280 (in current values), of which part is borne by the applicant and part by the CA. A higher number of recognition procedures would result in higher aggregate procedure costs.

2029 onwards. This would entail additional costs of EUR 3.4 million annually from 2029 onwards and result in **cumulative additional costs with a discounted (3%) present value of approximately EUR 31.9 million over the period 2029-2040 under PO1**. Under PO2, the expected increase corresponds to approximately 4 770 additional procedures annually from 2029 onwards. This would entail additional costs of EUR 4.9 million annually from 2029 onwards and result in cumulative additional costs with a discounted present value of **approximately EUR 46 million over the period 2029-2040 for PO2.** Under Policy Option 3, the expected increase corresponds to approximately 6 625 additional procedures annually from 2029 onwards. This would entail additional costs of EUR 5.1 million annually from 2029 onwards and result in cumulative additional costs with a discounted present value of **approximately EUR 47.9 million over the period 2029- 2040 for PO3**.[135]

Table 2 – Costs (EUR million) 2029-2040 (cumulative present value)	Policy Option 1	Policy Option 2	Policy Option 3
IT implementation costs	11.1	71.4	11.1
Costs related to expected volume increases	31.9	46	47.9
TOTAL	**43.0**	**117.4**	**59.0**

6.2. Broader economic impacts

In addition to the direct cost savings estimated in section 6.1., all three policy options are poised to generate broader economic benefits to the extent that they facilitate cross-border recognition of professional qualifications required to access regulated professions.

At **firm-level**, this results in **increased recruitment opportunities relative to the baseline, enhancing their competitiveness and growth potential.** Businesses can tap into a wider, geographically diverse pool of applicants whose qualifications are formally recognized by competent authorities. Whereas this effect benefits large corporations, they are particularly advantageous for SMEs, which often lack the administrative capacity to (help the applicant) navigate complex recognition procedures and are disproportionately impacted by acute labour shortages hampering growth.[136] According to a Eurobarometer survey, while 95% of SMEs report that finding employees with the right skills is a challenge for their business, only 14% have attempted to address these shortages by recruiting talent from other EU MS. When asked why they did not try to hire non-domestic talent, between 4% and 6% of companies specifically refer to difficulties in getting the professional qualification recognised. Of those

[135] Cf. Annex 13.
[136] Fragmented and slow recognition processes directly constrain companies' ability to recruit across borders within the Single Market. This limits firms' effective access to the EU-wide talent pool, reducing their capacity to fill vacancies in sectors experiencing persistent labour and skills shortages. [CESI. (2025). Union of Skills: Improve training, recognition of qualifications & fair transitions].

that did try to hire workers from another MS, 6% to 7% pointed to such difficulties.[137] Facilitating cross-border recognition of qualifications addresses this concern, thus helping to **reduce vacancy durations for critical roles** and **improve the structural match** between the skills required for a position and the actual profiles of applicants. In its turn, better matching has a **positive impact on employee productivity and retention**.[138]

At **macro-economic level**, less costly and faster recognition procedures **reduce "brain waste" and overqualification**. By enabling qualified professionals to more easily access regulated occupations that match their specialized skills, they enhance the **allocative efficiency** and **aggregate productivity of the workforce**.[139] This increases **potential GDP** at a constant labour supply. The size of these impacts depends on the share of workers currently underemployed, the share employed in regulated professions, the degree of trust local employers have in foreign qualifications. It is also contingent on the relative importance of other legal and administrative barriers that hamper cross-border mobility. The potential magnitude of addressing these collective bottlenecks is illustrated by the European Value-Added Assessment on overcoming cross-border barriers. The study explicitly identifies the lengthy procedures for recognizing qualifications as a prominent barrier among many. According to its macroeconomic modelling, a realistic scenario achieving a 20% reduction across all covered cross-border barriers would unlock an estimated EUR 123 billion per year in gross value added (i.e. approximately 1% of total EU GVA) and help create over 1 million jobs throughout the affected EU land border regions.[140] In addition, swifter and less expensive cross-border recognition contribute positively to overall **labour market resilience.** By fostering greater geographic mobility, they help balance regional employment mismatches and absorb localized economic shocks.

Finally, the policy options also advance the **digital transformation** of recognition systems to varying degrees, improving efficiency, user-friendliness, and long-term digital capacity-building.[141] PO1 relies on voluntary digitalisation, promoting interoperability through

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[137] Cf. European Commission (2024). 39% of SMEs surveyed in 2023 through the Eurobarometer 529 (European Year of Skills: Skills shortages, recruitment and retention strategies in small and medium-sized enterprises) indicated that easier procedures for the recognition of foreign qualifications would at least moderately help their company recruit staff with the required skills. This is also reflected in evidence on barriers faced by SMEs when operating or scaling up across the EU, where recognition of professional qualifications is identified as one of the regulatory frictions that can hinder cross-border activity alongside other administrative constraints. European Commission. (2025a). Flash Eurobarometer 559: Startups, scaleups and entrepreneurship. According to the SME Panel Survey 2026, SMEs anticipate faster recruitment (61%) and easier hiring from other EU MS (50%) among the key expected benefits of an EU digital recognition system.

[138] Coraggio L. et al. (2025) provides a summary overview of the relevant literature about the relationship between job match quality and firm productivity. In addition, the study provides robust empirical evidence suggesting that higher match quality directly translates into measurable increases in labour productivity and overall firm profitability, particularly when supported by high-quality managerial oversight.

[139] Brain waste particularly affects mobile EU professionals whose qualifications may remain unacknowledged across borders. Over time, these mismatches weaken the EU's ability to align labour supply with demand in critical sectors such as healthcare and engineering, and reduce incentives for skilled professionals to move where they are most needed. ESDE (2023).

[140] European Parliament Research Service (2023).

[141] According to the OECD Digital Government Policy Framework (2020), digital transformation can improve the efficiency of public administrations and support the delivery of more user-driven, proactive and effective public services in the digital environment.

guidance and best practices. While flexible, this approach risks uneven uptake, particularly in Member States with lower digital maturity. PO2 introduces mandatory digital workflows and interoperability standards, ensuring structured digitalisation across MS. However, implementation may pose challenges for authorities with limited digital infrastructure. PO3 goes further by mandating a unified EU-level digital system, guaranteeing full interoperability and standardisation. This reduces Member State implementation burdens but may limit integration with existing national systems.

All three policy options contribute positively to these firm-level and macroeconomic effects, though their impacts relative to the baseline vary. PO1 is expected to provide only marginal benefits, as its reliance on non-legislative, soft-law measures—such as voluntary peer reviews, common templates, and non-binding deadlines—leaves actual implementation entirely to the discretion of individual MS. In contrast, PO2 delivers a more pronounced impact; by establishing legally binding response deadlines and mandating interoperable digital credentials for automatically recognized professions, it introduces greater structure and predictability into cross-border data exchanges. Due to its stronger reliance on binding measures and by introducing a unified workflow, PO3 delivers the most substantial reductions in both applicant- and employer-borne costs while yielding the greatest time savings, even when taking into account the expected increase in the volume of applications under each of the policy options. It is therefore expected to also deliver the strongest positive impact on the various dimensions outlined.

6.3. Social impacts

At the **individual level**, faster and less costly recognition procedures compared to the baseline increase **high-quality employment opportunities** for mobile professionals.[142] By

[142] The initiative is expected to have positive impacts especially for young people across the EU. Young people tend to be more mobile than other age groups and are more likely to seek employment opportunities in other MS. At the same time, the costs associated with recognition procedures may represent a greater burden for individuals at the beginning of their careers. Contributions received through the EU Youth Stakeholders Consultation with 15 civil society organisations, public authorities and business associations from 14 MS highlighted strong expectations for faster, simpler and more predictable recognition procedures. Young stakeholders expect measures aimed at improving digital recognition procedures and interoperability to facilitate mobility, improve the portability of skills and support smoother transitions between education, training and employment, and stress the importance of ensuring that digitalisation remains accessible to all. 24 of the 32 young respondents to the public consultation on the SPI (32 responses from young people between the ages of 16-25, with an average age of 23), indicated that they had previously applied, were currently applying, or intended to apply for a job or pursue professional activities in an EU Member State other than the one in which they obtained their professional qualifications, and 26 of 32 indicated that they consider lengthy, complex and costly recognition procedures for access to a regulated profession in another country to be a moderate, significant or very significant problem. A recent study concerning young EU movers and labour market identifies higher labour-market mismatches among young EU movers than young people working in their home EU country, which could be attributable to difficulties in the recognition of professional qualifications or validation of skills and could be addressed by improved recognition procedures. European Commission (2026c): the report analyses factors specific to young people, such as accepting a first job below one's qualification level as a temporary "stepping stone" to explain relatively high figures of educational mismatches (27% for EU movers and 21% for young people working in their home EU country), and skills mismatches (25% and 18%, respectively). Concerning the significant gap between the two groups, the report identifies language barriers, weaker local networks and limited knowledge of the host-country labour market as possible contributing factors. However,

accelerating entry into formal, regulated occupations that match their true skill levels, they boost **upward career mobility** and **enhance long-term income security**.[143] The magnitude of these effects depends on a variety of factors, including the degree of occupational regulation in the host country, the transferability of country-specific human capital, the initial level of occupational downgrading, and local language proficiency.

Facilitating cross-border recognition ensures that mobile citizens can practice their profession based purely on merit, regardless of their Member State of origin. By removing these administrative and regulatory barriers, it secures the **fundamental freedoms of movement,**[144] **establishment, and service provision** within the internal market while upholding the core principles of **equal rights** and **non-discrimination**.

Increased mobility of professionals holding qualifications giving access to regulated professions may also strengthen the **resilience and accessibility of essential public services**, such as healthcare and education.[145] While nearly every Member State suffers from healthcare workforce shortages, these challenges are not uniformly distributed within the EU or within national borders,[146] reflecting different demographic, health socio-economic characteristics of populations, as well as diversity of health and long-term care policies in place at local and national levels. EU-wide and national averages frequently mask acute cross-country and regional disparities, with particularly urban centres attracting talent and rural, peripheral, and border regions facing severe shortages. As emphasised in a 2021 study by the JRC, such territorial imbalances confirm the need for a territorial approach in workforce planning exercises.[147] Facilitating cross-border mobility allows vulnerable regions to directly access

the pattern is also consistent with a recognition/validation problem: qualifications, professional titles, sectoral certificates or other credential-backed skills acquired in one Member State may not be immediately legible, trusted or formally usable in another. This is especially plausible for regulated professions.

[143] According to responses to the public consultation on the SPI, 36 out of 146 EU citizens responding to the question "How did recognition of your professional qualifications affect how well your job matched your qualifications?" indicated that difficulties related to the recognition or acceptance of their qualifications resulted in them being overqualified for the job they ultimately obtained. This is particularly relevant for younger workers and professionals as they are particularly exposed to "scarring effects", where early-career unemployment or severe underemployment permanently suppresses long-term lifetime earnings and career progression. Furthermore, younger generations exhibit the highest propensity for geographic mobility but possess the lowest financial buffers. High entry costs and lengthy, opaque bureaucratic processes act as a regressive barrier that effectively prices out young, low-wealth applicants.

[144] 21 out of 66 EU citizens participating in the public consultation on the SPI who had undergone a recognition procedure reported that difficulties linked to the recognition of their professional qualifications discouraged them from moving to, or applying for, a job opportunity in another country.

[145] The European Labour Authority (2024) documents shortages of specialist medical practitioners in 75% of EU countries, generalist practitioners in 64%, and nurses in 78%. Shortages of qualified professionals in healthcare are increasingly recognised as a constraint on service provision, system resilience and the long-term sustainability of health systems across several MS. OECD/European Commission (2024), Health at a Glance: Europe 2024: State of Health in the EU Cycle, OECD Publishing, Paris.

[146] According to Eurostat (2024), significant disparities continue to exist across MS in the number of newly qualified healthcare professionals entering the labour market each year. These wide variations in training output underline the importance of efficient recognition procedures to facilitate the mobility of healthcare professionals and help address uneven workforce availability across the EU.

[147] JRC (2021) New perspectives on territorial disparities - From lonely places to places of opportunities

and draw upon the wider Single Market talent pool, effectively stabilizing local social infrastructure where it is needed most.[148]

All three policy options contribute positively to these micro- and macro-social effects, albeit to varying degrees depending on the nature of the regulatory intervention. PO1 is expected to yield only marginal social benefits as it operates through non-enforceable, soft-law instruments. Policy Option 2 delivers an intermediate impact as it introduces greater predictability into cross-border data exchanges and shortens timelines through binding deadlines. As demonstrated above, PO3 delivers the most substantial reductions in both applicant-borne barriers and integration timelines. It is therefore expected to deliver the strongest positive impact across all social dimensions outlined, most effectively translating administrative simplification into tangible social improvement.

The impacts of the initiative are expected to vary across MS and are unlikely to be distributed evenly across the Single Market. Both implementation costs and the magnitude of the expected economic and social benefits will depend on a number of structural and administrative factors, including the extent and sectoral composition of professional regulation, the volume of intra-EU mobility involving regulated professions, the organisation and performance of recognition procedures, including fees and processing times, and the degree of digital maturity of public administrations and recognition systems. These factors influence both the scale of the effort required to implement the proposed measures and the extent to which MS may benefit from simpler, faster and more digital recognition procedures. The main drivers of these differentiated impacts are examined in more detail in Annex 8. The diverging territorial impact reflects the diversity of national regulatory and administrative systems that the PQD is designed to accommodate. Facilitating recognition across such diverse systems lies at the heart of the mutual recognition framework established by the PQD. The initiative seeks to strengthen common pathways, interoperability and administrative cooperation within this diverse landscape, thereby supporting the functioning of the Single Market.

6.4. Summary overview of impacts

The table below summarises the above impacts of the three policy options, including impacts assessed quantitatively and impacts described qualitatively.

Table 3	**PO1**	**PO2**	**PO3**
Direct cost impacts (EUR million) 2029-2040 (present value)			
Total savings			
	858.5	1 143.7	1 550.9
Total costs			
	43.0	117.4	59.0

[148] European Commission (2021b)

Broader economic impacts

Firm-level competitiveness	Marginal impact on increased recruitment opportunities, lower vacancy durations for critical roles, improved intra-firm matching, higher labour productivity	Moderate impact on increased recruitment opportunities, lower vacancy durations for critical roles, improved intra-firm matching, higher labour productivity	Strong impact on increased recruitment opportunities, lower vacancy durations for critical roles, improved intra-firm matching, higher labour productivity
Macro-economic benefits	Marginal impact on reduced overqualification, improved allocative efficiency and aggregate labour productivity as well as labour market resilience.	Moderate impact on reduced overqualification, improved allocative efficiency and aggregate labour productivity as well as labour market resilience.	Strong impact on reduced overqualification, improved allocative efficiency and aggregate labour productivity as well as labour market resilience.
Digitalisation - interoperability	Marginal positive impact	Moderate positive impact	Strong positive impact
Social impacts			
Individual labour market performance and social well-being	Marginal impact on employment opportunities, upward career mobility and enhanced income security.	Moderate impact on employment opportunities, upward career mobility and enhanced income security.	Strong impact on employment opportunities, upward career mobility and enhanced income security.
Exercise of fundamental rights, equal rights and non-discrimination	Marginal positive impact	Moderate positive impact	Strong positive impact
Resilience, accessibility of essential public services	Marginal positive impact	Moderate positive impact	Strong positive impact

7. HOW DO THE OPTIONS COMPARE?

This section evaluates the relative performance of each policy option by assessing: (i) their effectiveness in achieving the three specific objectives of the initiative; (ii) their efficiency in terms of the balance between savings and costs and their capacity to reduce inefficiencies in recognition procedures; and (iii) their coherence, namely the extent to which measures remain consistent with broader EU policy objectives, and contribute to a more coherent recognition system across the EU. The options are scored on a scale ranging from '-/+' to '---/+++' relative to the baseline. A single '-/+' indicates a limited effect, while '--/++' and '---/+++' indicate a moderate and significant effect respectively.[149]

7.1. Effectiveness

The effectiveness of the policy options is assessed against the three specific objectives of the initiative. For SO1, the comparison focuses on the extent to which the policy options improve the clarity, accessibility and user-friendliness of information, ensure greater consistency between national and EU-level information sources, and reduce incomplete applications and unnecessary exchanges between applicants and CAs during the preparation and submission of applications. For SO2, the assessment considers the extent to which the policy options increase digitalisation, reduce administrative burden and simplify procedures. For SO3 the comparison examines improvements in the timeliness and quality of administrative cooperation, the use of interoperable digital tools, and the consistency of implementation across MS.[150]

PO1 remains closest to the baseline, relying exclusively on non-legislative measures to promote a more consistent interpretation and application of the existing provisions without amending them (+). PO2 introduces targeted legislative amendments limited to those necessary to support interoperability and the digitalisation of procedures across MS, complemented by non-legislative measures (++). PO3 goes further by introducing a broader set of legislative changes and supporting them with operational tools designed to promote consistent implementation across MS (+++). As a result, the expected effectiveness increases progressively from PO1 to PO3.[151]

Table 4 - Comparison of Policy Options – Effectiveness	PO1	PO2	PO3
Ensure complete, clear and aligned information on qualification requirements and recognition procedures	+	++	+++
Make recognition procedures faster, easier and less burdensome	+	++	+++

[149] The analysis below is further supported by additional explanations in Annex 15.
[150] Cf. Annex 16 on measures of success under each of the specific objectives.
[151] At the same time, as the initiative would remain based on a Directive, MS would continue to retain a degree of flexibility as regards the means used to achieve the envisaged objectives.

Table 4 - Comparison of Policy Options – Effectiveness	PO1	PO2	PO3
Improve cooperation and communication among CAs	+	++	+++

7.2. Efficiency

The assessment of efficiency examines two aspects. First, it considers the relationship between the expected benefits and costs of each option, as presented in Section 6.1. Second, it assesses improvements to the efficiency of recognition procedures as such.[152]

Compared to the baseline, PO1 generates the lowest benefits but also entails low costs (++). PO2 delivers greater benefits, but also requires higher implementation costs (+). PO3 is expected to generate the highest ratio benefits/costs compared to the baseline (+++). As regards the efficiency of recognition procedures as such, PO1 remains closest to the baseline and is therefore expected to deliver only limited improvements (+). PO2 introduces targeted procedural changes that improve efficiency in specific areas. However, as MS would need to adapt solutions individually, implementation may remain uneven, limiting efficiency gains (++). PO3 goes furthest by combining more comprehensive legislative changes with supporting tools that facilitate implementation and administrative cooperation. Although achieving these efficiency gains would entail certain administrative burdens and obligations, these are expected to be offset in both the short and longer term (+++).

Table 5 – Comparison of Policy Options - Efficiency	PO1	PO2	PO3
Benefits-costs ratio[153]	++	+	+++
Less inefficiences in recognition procedures (faster, simpler)	+	++	+++

7.3. Coherence

The assessment of coherence examines: first, the coherence of the policy options with other relevant EU initiatives and broader Union objectives, including digitalisation, interoperability, administrative simplification, labour mobility and the functioning of the Single Market, and, second, the extent to which each policy option contributes to a more aligned, coordinated and integrated recognition system across MS, including through greater consistency between

[152] This covers the extent to which the options are expected to reduce reliance on paper-based procedures, increase digitalisation and interoperability, shorten procedures, reduce unnecessary administrative steps and exchanges, and improve the efficiency of communication between applicants and CAs, and among CAs across MS.

[153] Calculated as the ratio of benefits to costs, obtained by dividing the estimated total benefits by the estimated total costs. This is 20 for PO1, 9.7 for PO2, 26.3 for PO3.

national systems, stronger interoperability of tools and procedures, and more coherent cooperation between CAs and the Commission.

Compared to the baseline, policy options differ in the extent to which they support broader EU objectives, notably simplification, digitalisation and administrative cooperation. PO1 is expected to make only a limited contribution through encouraging a more convergent interpretation and application of the existing framework (+). PO2 contributes more directly to these objectives through targeted measures supporting interoperability and information exchange (++). PO3 provides the strongest support by promoting a comprehensive digital and simplified approach to recognition procedures and administrative cooperation (+++).

As explained above under 5.2.3, the preferred option is coherent with the Union's broader digital policy framework because it builds on existing EU instruments rather than creating a parallel system. It is designed as a modular extension of the IMI system, reusing its governance, user base and administrative cooperation processes while extending its functionality to support the complete recognition workflow across all regulated professions. It also builds on the experience gained through the EPC, replacing its profession-specific approach with a single, scalable solution applicable across professions. At the same time, the proposal creates synergies with the EUDI Wallet, digital credentials under the SPI, and the SDG-OOTS. These tools are integrated where available, but their use is introduced progressively and without creating dependencies that could delay implementation. Where digital building blocks are not yet fully deployed, applicants will continue to be able to submit evidence themselves, authorities will continue to exchange information through IMI, and paper credentials will remain valid. This phased and interoperable approach ensures coherence with the Union's digital agenda while remaining proportionate and operationally realistic, avoiding duplication of existing systems and ensuring that implementation does not depend on the simultaneous maturity of all related initiatives.

The options also differ in their ability to increase coherence across recognition systems in the EU. PO1 is expected to bring only limited improvements compared to the baseline (+). PO2 would strengthen coherence by introducing common interoperability requirements and improving exchanges between CAs (++). PO3 is expected to have the greatest impact, as the European Digital Recognition System would support a more consistent implementation of recognition procedures across MS and enhance coherence throughout the system (+++).

Table 6 – Comparison of Policy Options - Coherence	**PO1**	**PO2**	**PO3**
Coherence with other EU initiatives and broader objectives	+	++	+++
Aligned, coordinated and integrated recognition across MS	+	++	+++

7.4. Comparative overview

The table below presents an overview of the comparison of the policy options on the basis of the criteria of effectiveness, efficiency and coherence.[154] As shown below, PO3 scores highest overall across these criteria. The assessment of proportionality also confirms that all three policy options would remain proportionate, each within the scope and level of intervention envisaged.

Table 7 – Comparison of the three policy options	PO1	PO2	PO3
Effectiveness	+	++	+++
Efficiency	++	++	+++
Coherence	+	++	+++

8. PREFERRED OPTION

8.1. Option 3: Unified EU workflow and enhanced enforcement

From the ranking and comparison of POs, **PO3 stands as more effective, efficient and coherent than PO2 and PO1**. PO3 comprises the most comprehensive set of binding legislative measures, combined with enforcement tools, and is therefore expected to deliver the objectives of the initiative in the most effective manner. As regards efficiency, PO3 **is** expected to generate the highest cost savings while keeping implementation costs much lower. It is designed as the most far-reaching simplification option and is estimated to alleviate around 40% of the burden currently associated with recognition procedures. Overall, it is expected to deliver cumulative cost savings of approximately EUR 1.6 billion by 2040. By centralising European digital resources and solutions, the approach ensures that key development costs are incurred only once at EU level, rather than separately by all 27 MS. In this way, it helps keep the main implementation costs linked to the creation of the European Digital Recognition System as low as possible. As regards coherence, this option ensures the strongest mutual reinforcement between measures, while also providing the highest level of alignment with broader EU initiatives and priorities on digitalisation, simplification, portability of skills, and the deepening and more effective functioning of the Single Market.

In terms of **EU added value**, the preferred PO3 delivers the greatest benefits through the establishment of the European Digital Recognition System as a common framework for recognition procedures across the Union. A single EU framework avoids duplication of

[154] Proportionality has also been a key consideration. It was applied as a knock-out criterion during the screening of the initial long list of measures (cf. Annex 12), ensuring that measures appearing disproportionate to their likely benefits were discarded at an early stage. Consequently, all measures retained and subsequently combined into policy options were considered proportionate to the problems identified and the objectives pursued. Cf; Annex 15.

investments, reduces fragmentation, promotes interoperability and generates economies of scale, while ensuring a more consistent and efficient recognition process across Member States. The preferred option complies with the principle of **proportionality**, as it does not go beyond what is necessary to achieve the objectives pursued. While the proposal introduces targeted amendments to Directive 2005/36/EC to address persistent shortcomings identified through its implementation, these measures are limited to improving the procedural functioning of the recognition framework, including the provision of information, the organisation of recognition procedures, administrative cooperation and the use of interoperable digital tools. The proposal does not harmonise the substantive rules governing regulated professions or the conditions for the recognition of professional qualifications. Member States remain fully responsible for regulating professions, determining qualification requirements, assessing applications and taking recognition decisions. The preferred option provides the most effective response to the identified problems while maintaining an appropriate balance between the expected benefits and the implementation effort required. Although it entails a greater degree of intervention than the alternative options, this is justified by the scale and persistence of the identified shortcomings and remains confined to procedural aspects of the framework, fully respecting Member States' competences over substantive recognition decisions.

As regards **practical implementation**, challenges may arise, but these are expected to be manageable, as the preferred option has been specifically designed to overcome the principal shortcomings of the current framework. As explained above, the identified problem drivers include both issues of design and issues of implementation**,** with special focus on the former.

Design issues arise where the current Directive misses common elements that are instrumental for the effective functioning of the recognition system and where the existing measures do not guarantee that the recognition procedures will fully benefit from technological progress and digital developments. Accordingly, the preferred option addresses design issues by **completing the architecture of the PQD with common elements that are currently missing.** The cornerstone of this approach is the European Digital Recognition Solution, which establishes a mandatory common digital workflow for recognition procedures across the Union. By replacing fragmented national solutions with a single interoperable system spanning the entire recognition procedure, from the preparation of applications to the issuance of recognition decisions, the preferred option streamlines workflows, reduces incomplete applications and repetitive exchanges, limits unnecessary procedural iterations and duplication of work, creates economies of scale and provides a common operational framework for competent authorities. The system will be developed and financed by the Commission, thereby reducing implementation costs for Member States while supporting authorities with AI-assisted functionalities (e.g. automated translation with confidence score) throughout the recognition process.[155] The preferred provides authorities with common tools

[155] The feasibility of integrating AI-assisted functionalities is supported by the findings of a Commission study on the analysis of digital solutions for recognition processes and the AI proof of concept. The study demonstrated that AI can effectively support several stages of the recognition workflow, including the translation of documents, document classification, the assessment of document authenticity and integrity, and the analysis of the content of supporting evidence against the applicable legal and procedural requirements. These findings indicate that AI can substantially reduce administrative workload and improve the speed and consistency of

and infrastructure rather than relying solely on national solutions. The European Digital Recognition Solution reduces administrative burdens and manual processing, allowing scarce administrative resources to be used more efficiently. The preferred option further strengthens the design of the framework by integrating into the recognition process interoperable digital credentials for qualifications under the automatic system. It establishes that these credentials constitute trusted evidence of the qualifications they certify, thereby limiting the possibility for competent authorities to request additional documentation and reinforcing trust within the automatic recognition system.

On the other hand, the preferred option strengthens the implementation of the existing legal framework by making its requirements clearer, more operational and easier to apply consistently across Member States[156]. It specifies in greater detail the information that Member States must provide on recognition procedures and ensures that this information is kept up to date through interoperability with the Regulated Professions Database. It clarifies which documents may be requested, establishes common principles governing recognition fees and introduces binding deadlines for the individual stages of recognition procedures as well as for administrative cooperation between competent authorities. By translating general obligations into more operational rules, these measures reduce uncertainty and facilitate more uniform implementation across the Union.

The preferred option further **reinforces implementation through supporting measures**. Regular training for competent authorities and a more structured framework for cooperation within the Group of Coordinators on Professional Qualifications will help competent authorities apply the Directive more consistently and identify implementation challenges at an earlier stage. The annual work programme of the Group of Coordinators[157] and its subgroups will provide a more systematic framework for monitoring implementation, exchanging good practices and preparing future developments of the recognition system. Additional mitigation measures could include transitional implementation periods, targeted capacity-building support, EU financial support for digital transformation where appropriate, and the progressive deployment of interoperable digital tools.

Taken together, the preferred option addresses both the structural and the practical causes of the identified problems**.** By introducing common elements that are currently missing from the Directive while making existing rules more precise and providing competent authorities with better tools, clearer rules, more structured procedures and stronger support, it is expected to improve the consistency, efficiency and reliability of the implementation of the Professional Qualifications Directive.

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recognition procedures, while leaving the final assessment and recognition decision entirely with the competent authority.

[156] The main advantage of the European Digital Recognition Solution is that it should be applied consistently among Member States. In other words, it aims to ensure that all recognition procedures can benefit from and integrate other common EU digital developments such as EU Digital Identity Wallet, thereby reducing the risk of uneven implementation.

[157] The Group of Coordinators is an expert group bringing together the national coordinators designated by MS under the PQD for matters related to the recognition of professional qualifications. It serves as a forum for cooperation, exchange of experience and discussion of implementation issues arising under the Directive.

The transition towards a more digital and, under PO3, largely "digital-only" recognition environment may **create risks of digital exclusion** for certain categories of applicants, including older professionals or applicants with limited digital skills or access to digital infrastructure. While the initiative aims to simplify and accelerate procedures, the move towards digital procedures would create obligations for CAs rather than applicants. Applicants would remain free to submit supporting documents in paper form. However, those choosing to submit documents digitally would benefit from faster processing and reduced administrative. Where applicants are unable to create or submit a digital application themselves, CA could provide assistance and, where necessary, create the digital application on their behalf. Similarly, the introduction of binding deadlines would not create additional obligations for applicants. These deadlines would apply to CAs and their cooperation with each other, ensuring that procedures are completed more quickly and predictably for the benefit of applicants. The Commission would support implementation through guidance and training for CAs using the digital tools, while applicants would benefit from digital guidance tools such as pilot AI chatbots. The gradual implementation timeline, including the transposition period for MS and the time foreseen for the development of the European Digital Recognition System by the Commission, would provide sufficient time for MS, CAs and the Commission to prepare, coordinate and put the necessary support arrangements in place.

Moreover, stakeholders may express concerns that a greater reliance on digital tools could increase **digital security and reliability risks**. However, the initiative is expected to mitigate rather than exacerbate these risks. The use of verifiable digital credentials would make documents significantly more secure and more difficult to forge than paper-based documents, thereby increasing the reliability of the information exchanged in recognition procedures and strengthening trust among competent authorities. Furthermore, as artificial intelligence is increasingly being used in administrative processes, embedding AI-assisted functionalities within a common European framework would help ensure their transparent, coordinated and consistent use across MS. This would reduce the risks associated with fragmented national approaches, divergent outcomes and inconsistent quality standards, while promoting greater legal certainty, reliability and mutual trust in recognition procedures.

The implementation of the preferred option will require efforts from Member States and competent authorities, particularly to adapt existing procedures, working methods and digital systems. Some challenges may be greater for authorities with more limited administrative capacity or lower levels of digital maturity.[158] Nevertheless, we expect that these challenges will be manageable and that the authorities concerned will be broadly supportive of the proposed measures. The preferred option was designed on the basis of stakeholder feedback and is composed primarily of measures that national coordinators and competent authorities—the actors responsible for implementing the Directive—identified as among the most effective

[158] Cf. Annex 14.

responses to the problems encountered in practice.[159] These results provide confidence that, although implementation will require adaptation and sustained effort, the preferred option is closely aligned with the practical needs and assessments of the authorities that will be responsible for applying it. In addition, the use of a common EU-level solution will reduce the need for Member States to develop and maintain separate national systems, thereby limiting national implementation costs and technical burdens while ensuring interoperability and a more consistent approach across the Union.

8.2. REFIT (simplification and improved efficiency)

The initiative is expected to contribute significantly to simplification and efficiency by **directly addressing procedural complexities and inefficiencies** identified as part of the problem definition. The measures proposed under the initiative are specifically designed to reduce these inefficiencies. By definition, measures such as reducing paper-based procedures, promoting interoperable digital credentials, reducing documentary requirements, accelerating exchanges between CAs and strengthening digital workflows are expected to simplify procedures, reduce waiting times and lower administrative and compliance costs. More complete and standardised information is expected to **reduce the number of incomplete or incorrect applications** and limit the need for clarification exchanges. This would reduce the time and effort required for applicants to understand requirements and prepare applications, while reducing rework associated with incomplete applications for CAs and improving processing workflows. For professionals, simplified and standardised procedures, together with the reduction and standardisation of documentation requirements and clearer and more predictable procedures, are expected to **reduce both the time and costs associated with preparing and submitting applications**, as well as broader compliance costs linked to recognition procedures.[160] The combination of harmonised procedures, mandatory digital workflows and fully digital processes is also expected to significantly **reduce administrative effort per case and streamline case handling**. More structured and predictable cooperation mechanisms are expected to reduce repeated exchanges, incomplete requests and processing

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[159] For example, in a focus group with national coordinators on professional qualifications, 16 out of 17 respondents ranked support to Member States in providing information among the most effective measures for reducing incomplete applications. Minimum content requirements for information provided at national level were selected by 13 out of 17 respondents, while 11 out of 17 identified guidance and peer review of national portals as particularly effective. These measures are reflected in the preferred option. Measures aimed at reducing processing times also received strong support. Electronic-by-default recognition procedures were ranked among the most effective measures by 17 out of 19 respondents, while 14 out of 19 selected an AI-assisted workflow system and 9 out of 19 selected shortened deadlines combined with the use of digital credentials. In relation to administrative cooperation, 11 out of 19 respondents ranked online recognition procedures supported by an AI-assisted workflow system among the most effective measures for reducing delays. All these measures form part of the preferred option.

[160] Stakeholder evidence supports these expected benefits. Survey results with citizens indicate that fully digitalising recognition procedures would primarily lead to shorter processing times (65%), followed by reduced administrative burden (56%), greater efficiency (50%) and lower costs (48%). Cf. study supporting this impact assessment.

delays.[161] For employers, more efficient and predictable recognition procedures are expected to **facilitate faster recruitment processes, improve workforce planning** and reduce delays in accessing qualified professionals, particularly in sectors facing labour shortages. Unlike more voluntary approaches, PO3 ensures uniform application and maximises efficiency gains through mandatory and integrated measures across the Union. At the same time, these expected simplification and efficiency gains are accompanied by significant upfront implementation costs. The introduction of harmonised systems, digital workflows and fully digital processes will require investment in IT systems and infrastructure, staff training and organisational adjustments. As a result, PO3 may initially lead to increased administrative costs during the transition phase. Over time, however, these costs are expected to be offset by efficiency gains and reductions in administrative effort per case, leading to a more coherent, predictable and efficient recognition system across the Union.

8.3. Application of the 'one in, one out' approach

This initiative falls within the scope of the One-In-One-Out (OIOO) approach as it constitutes a revision of an existing EU instrument (Directive 2005/36/EC). PO3 contributes to the administrative burden reduction target by delivering aggregate annual administrative cost savings of approximately EUR 27.2 million, corresponding to a reduction of around 40% of the EUR 67.8 million baseline annual administrative burden. The main instrument carrying this reduction is the harmonisation and digitalisation of recognition procedures. The full quantification is developed above under Section 6.1 and also summarised below in Table III in Annex III.

9. HOW WILL ACTUAL IMPACTS BE MONITORED AND EVALUATED?

Monitoring would focus on indicators measuring the extent to which the initiative succeeds in simplifying and making less costly and burdensome the preparation and processing of recognition applications, including cooperation between CAs. The Commission would carry out such monitoring in close cooperation with national coordinators and CAs in the MS.

Monitoring would rely on two sources. First, MS would provide information through **national reporting** coordinated by the national coordinators designated under the PQD. Such reporting would take place **every two years** and would cover indicators that cannot be automatically generated through digital systems. Second, **data would be retrieved annually from the digital tools** supporting the implementation of the initiative, including the European Digital Recognition System and other relevant systems and databases.

For monitoring purposes, **2029 would constitute the baseline year**, as this is the first year in which the benefits of the initiative are expected to start materialising following the deployment of the European Digital Recognition System during 2027 and 2028. To establish a robust pre-implementation benchmark, a first collection of monitoring data would take place in 2028. A second wave of data collection would then take place in 2029 for indicators to be

[161] CAsimilarly identified shorter processing times (54%), lower costs and reduced administrative burden (both 49%) and significant staff efficiency gains (28%) as the main expected benefits of digitalisation, suggesting that digitalisation primarily improves speed and procedural simplicity rather than reducing staffing needs.

collected annually and in 2030 for indicators subject to biennial reporting, allowing an initial comparison between the situation before and after implementation. This approach would ensure the availability of meaningful evidence on the effects of the initiative and support a comprehensive evaluation approximately five years after the expiry of the transposition deadline.

Progress towards Specific Objective 1 will be monitored through indicators measuring the completeness and consistency of information provided on regulation of professions and recognition of qualifications, the share of incomplete or incorrectly prepared applications attributable to information gaps, and user satisfaction with the clarity and accessibility of information. Progress towards **Specific Objective 2** will be monitored through indicators measuring the average processing time of recognition procedures, the average number of documents, translations and certifications requested per application, the administrative effort required to process an application, and the share of applications completed within the prescribed deadlines. Progress towards **Specific Objective 3** will be monitored through indicators measuring the average response time to administrative cooperation requests, the average number of information requests and confirmation exchanges per recognition case, and the satisfaction of competent authorities with the quality and usefulness of the responses received.

A more detailed presentation of the monitoring indicators, sources and collection methods is provided in Annex 16.

1. Lead DG, Decide Planning/CWP references

DG for Employment, Social Affairs and Inclusion (DG EMPL). PLAN/2025/2645: Fair labour mobility package / Skills Portability 2: modernise and expand recognition processes for regulated professions - Potential measures to facilitate, modernise and expand recognition processes for EU citizens to access regulated professions, action under the Skills Portability Initiative. Commission work programme 2026, Supporting people, strengthening our societies and our social model - 25: Skills and fair labour mobility – Fair labour mobility package

2. Organisation and timing

The consultation and evidence-gathering activities build on earlier work carried out in the context of the 2020–2024 implementation report on Directive 2005/36/EC and were further developed through more recent exercises conducted under the Skills Portability Initiative. These included the public consultation and call for evidence carried out between November 2025 and February 2026, complemented by desk research and data analysis undertaken by DG EMPL and by the contractor responsible for preparing the study supporting the present impact assessment.

The contract for the study supporting the impact assessment of Directive 2005/36/EC started in October 2025 and had a duration of fifteen months. The contractor submitted the final report supporting the impact assessment, focusing on the SPI-related aspects of the Directive, in May 2026 for the purposes of the scrutiny process by the Regulatory Scrutiny Board.

An Inter-service Steering Group (ISG) was established by the Secretariat-General to support the preparation of the initiative as part of the broader SPI package. Representatives from the following Directorates-General and services participated in the ISG: EAC, ECFIN, ENV, GROW, HOME, REGIO, RTD, SANTE, TRADE, the Secretariat-General and the Legal Service.

3. Consultation of the RSB

The draft IA was submitted to the Regulatory Scrutiny Board (RSB) on 17 June and discussed at a hearing on 15 July, following the submission of written replies to the RSB checklist and technical comments received in advance of the hearing. The RSB subsequently issued a positive opinion with reservations. The IA was subsequently revised to address the recommendations set out in the RSB opinion, while also taking into account the technical comments provided by the Board in the course of the scrutiny process. The table below summarises the RSB's main recommendations and the corresponding updates made to the IA to address them.

Main recommendations for improvement	**Modifications in the IA report**
Clarify what constitutes (a) a professional qualification, (b) 'automatic recognition' and how the process under the PQD applies to it for cross-border purposes, and (c) 'regulated	Chapter 1.3 on skills portability and regulated professions has been essentially rewritten. The socio-economic importance of regulated professions, the rationale for regulating

professions covered by other recognition systems'. Provide indicative examples of respective professions and explain to what extent the scope of the initiative covers activities in the areas of craft, commerce and industry, and professionals willing to provide services in another Member State on a temporary or occasional basis. Explain to what extent it excludes professions covered by other EU legislation and, if so, which ones.	access to professions and its links to labour and skills shortages, the role of the Professional Qualifications Directive within this framework, and its interaction with other relevant legal instruments are now explained more clearly. The introduction to the problem definition has been substantially revised, with the recognition of professional qualifications now positioned within the broader context of labour mobility.
Explain to what extent the findings of the 2011 PQD evaluation differ from those of the 2020-2024 PQD implementation report. Explain what measures were taken since 2011 to address those shortcomings. Discuss the extent to which the PQD has been effective in reaching its objectives. Analyse the root causes of the identified problems. Provide a more granular analysis of the regulated professions, the barriers hampering their mobility as well as assess the link related to obstacles with qualifications and their economic importance, using more recent data as far as possible.	Part of the modifications described just above are also relevant for this recommendation. Additionally, Section 2.1 has been substantially expanded by introducing a chronological overview of the problems identified since the 2011 evaluation of the Directive. The assessments made at different stages are now presented, followed by an explanation of how the remaining inefficiencies stem from several interrelated causes. In Section 2.2, a clearer distinction has been introduced between issues relating to the design of the existing framework and issues arising from its implementation. A more dynamic dimension has been added to the description of the baseline in Section 5.1.
Describe better the measures. Explain the proposed digital solution and what is going to be part of the solution. Explain better to what extent this initiative aims replacing the respective national IT systems, how the integration with national systems will be ensured, and who will be responsible for different parts of the digital solution. Clarify who is responsible for the infrastructure and operation of the solution. Explain what interoperability is needed and how it will be ensured.	In Section 5.2, the package of measures considered under each policy option is now presented more clearly. In Section 5.2.3, the description of the European Digital Recognition Solution has been substantially elaborated, with its design, operation and coherence with other relevant tools and initiatives explained in greater detail.
Better analyse the coherence with other	Part of the modifications described just above

initiatives, further explain to what extent this initiative uses the same IT elements as SPI Action 1 and the possible synergies, risks or unintended consequences that could arise from its implementation. Analyse how Action 2 will interact with SPI Action 3 on third-country nationals.	are also relevant for this recommendation. In Section 7, the coherence of the initiative with other relevant digital policy initiatives is now explained more clearly. The annex presenting the combined impacts of the preferred options under Actions 1, 2 and 3 has been updated.
Explain in more detail how the practical implementation of the preferred option would take place. Explain how the preferred option would be practically feasible.	In Section 2.2, a clearer distinction has been introduced between issues relating to the design of the existing framework and issues arising from its implementation. In Section 8 on the preferred option, the explanation of its added value and proportionality has been substantially strengthened. In particular, it is now explained more clearly how foreseeable practical implementation challenges have been anticipated and addressed through the proposed package of measures, and why broad stakeholder uptake of the proposed approach can be expected.
Technical comments on estimation and presentation of costs and savings	In the assessment of impacts, the methodology used to estimate the expected increase in the volume of recognition procedures is explained more clearly. The presentation of administrative cost savings has been restructured, while the analysis of employer savings has been substantially rewritten to improve its clarity and the underlying assumptions have been explained more transparently. As regards implementation costs, the differences between the options have been clarified and the overall presentation has been improved. In Annex 4 on analytical methods, a more detailed explanation of the methodology used to estimate costs for competent authorities has been provided. The methodology for monetising time savings has also been clarified, and the analysis has been reinforced through a sensitivity analysis, given that

	monetised time savings represent the largest component of the estimated benefits.

4. Evidence, sources and quality

The impact assessment draws on multiple sources of evidence and expertise, as detailed in Annexes 2, 4 and 17 to the present report. These include, in particular, evidence collected by the Commission services in the context of the 2020–2024 implementation report on Directive 2005/36/EC, as well as consultation and research activities carried out by the contractor responsible for the supporting study. The Commission Expert Group on the Recognition of Professional Qualifications was closely involved throughout the consultation process.

The preparation of this initiative was supported by a broad evidence-gathering and consultation process. This included data collected in the context of the implementation report on Directive 2005/36/EC, targeted consultation activities carried out by DG EMPL, the public consultation launched by the Commission, as well as additional stakeholder consultation activities conducted by the external contractor supporting this IA.

1. Analysis of data collected for the report on the implementation of the PQD

The drafting of this IA has benefited extensively from data collected by DG EMPL, including in cooperation with DG GROW, in the context of the preparation of the report on the implementation of the PQD covering the years 2020–2024. The report and the accompanying Staff Working Document were published in February 2026[162] and have been extensively referenced above. Those documents describe in detail how stakeholders' views contributed to identifying the main shortcomings in the implementation of the PQD and, subsequently, to shaping the present initiative.

2. Targeted consultations carried out in the context of the SPI

In parallel to the work carried out with the contractor and the use of data and findings from the implementation report to shape the problem analysis, DG EMPL also conducted targeted stakeholder consultation activities as shown below. These proved particularly useful in validating the different dimensions of the problem and gathering views and suggestions from professionals and public authorities in the MS regarding possible solutions.

Date	Title of meeting/event
19 May 2025	Portability of Skills in Cross-Border Regions (ISG consultation input)
3 July 2025	Meeting with Standing Committee of European Doctors (CPME)
2 October 2025	Meeting with EurHeCA (European Health Professionals' Competent Authorities)
6 November 2025	Targeted Consultation – EU Youth Stakeholders
14 November 2025	Regular Network Meeting – Adult Learning Coordinators
18 November 2025	Regular Network Meeting – VET Providers
18 November 2025	European Federation of Nurses
19 November 2025	General Assembly - Pharmaceutical Group of the EU (PGEU)
25 November 2025	Meeting – Validation and Recognition Working Group

[162] EU facilitates skills portability for over 185 000 professionals - Employment, Social Affairs and Inclusion

Date	Title of meeting/event
27 November 2025	Meeting – Geodesks
3 December 2025	Meeting – Eurochambres Skills Committee
4 December 2025	Group of Coordinators for Professional Recognition
5 December 2025	Youth Guarantee Coordinators
11 December 2025	Annual NARIC Meeting
16 December 2025	EQF AG
13 January 2026	Dedicated Meeting – National Europass Centres
14 January 2026	Dedicated Meeting – ESCO and National Classifications Experts
16 January 2026	Dedicated Meeting – REGIO / EURES Cross-Border Regions Stakeholders
20 January 2026	Targeted Consultation – Public Employment Services (PES Network)
23 January 2026	Targeted Consultation – Social Partners (Hearing)
27 January 2026	Targeted Consultation – Cross-Border EURES Projects
28 January 2026	Consultation – ENIC-NARIC Network
28 January 2026	Dedicated Meeting – EURES National Coordination Offices
29 January 2026	Targeted Consultation – VET Stakeholders (ACVT / DGVT)
6 March 2026	European network of competent authorities for architects (ENACA) - conference
12 March 2026	Group of Coordinators for Professional Recognition

3. SPI public consultation (questionnaire and call for evidence)

The public consultation on the SPI, conducted between December 2025 and February 2026, gathered views from a wide range of stakeholders on the portability of skills and qualifications within the EU. The consultation aimed to identify the main challenges faced by individuals and employers when using qualifications across borders, collect evidence on experiences with recognition procedures and skills validation (including their effectiveness and usability), and explore key obstacles to labour mobility linked to recognition issues. It also sought to identify opportunities to improve mobility through more effective recognition, validation and use of skills.

A total of responses were received from diverse stakeholder groups, including EU citizens (336 – of whom 66 had undergone recognition of their professional qualifications in another Member State), non-EU citizens (143), public authorities (81), academic and research institutions (44), NGOs (43), business associations (41), companies (29), trade unions (11) and other stakeholders (56). The input collected through this consultation has informed the problem definition, supported the development of policy options, and contributed to the assessment of impacts, in particular with regard to targeted aspects of the Professional Qualifications Directive. The key points emerging from the public consultation are summarised below. They broadly confirm the findings identified through the other stakeholder consultation activities:

- **Persistent barriers to skills portability.** Respondents consistently identify lengthy, complex and costly recognition procedures as one of the most significant obstacle to skills portability in the EU (524 out of 785 total respondents).

- **Fragmented and unclear information environment to guide recognition processes.** Information on recognition requirements is dispersed across multiple national and EU sources, with no single authoritative entry point. EU citizens report unclear, incomplete or missing information on procedures, CA, documentation requirements and expected outcomes (36 out of 157 respondents to the relevant question), increasing the likelihood of delays and failed applications.

- **Insufficient access to guidance and support during recognition procedures.** Only half of applicants report having had access to support during recognition procedures (33 our of 66 respondents – EU citizens having applied for recognition of professional qualifications), while support is often considered limited or ineffective. The absence of coordinated guidance and case management exacerbates administrative burden, particularly for individual applicants, SMEs and early-career professionals.

- **Excessive timeframes and high, uneven costs.** Recognition procedures frequently last months and, in some cases, years, thus often exceeding statutory deadlines (cf. Chapter 2 above). Applicants face significant and unpredictable costs related to fees, translations and certifications, creating strong deterrents to mobility and reinforcing inequalities in access to recognition (cf. Chapter 2 above).

- **Need for better integration and interoperability.** Stakeholders overwhelmingly identify the creation of an EU-wide interoperable system for qualifications and skills as the main solution to improve skills portability (404 out of 642 respondents). The priority is not to multiply tools, but to ensure interoperability, reuse and trust across existing EU and national systems.

- **Digital credentials as a priority.** Verifiable digital credentials are widely seen as a key enabler of skills portability, provided they are trusted, legally meaningful and integrated into established recognition frameworks, notably the PQD (they are considered very important by 264 and important by 121 out of 449 respondents). Digitalisation is expected to support faster verification, reduced duplication and greater transparency, but not to replace substantive assessment by CA, especially in regulated professions.

- **Simplification and digitalisation of recognition procedures.** Respondents (n=642) prioritise practical digital solutions that streamline administrative procedures, including single online portals for the submission and tracking of applications (469 respondents), automated document verification (372 respondents), certified and automated translations (372 respondents), and digital pre-screening to determine whether recognition is required (212 respondents). These solutions aim to reduce duplication, delays and uncertainty for both applicants and employers.

- **The recognition process can have significant consequences for the professional opportunities and mobility of applicants**. Among the 66 EU citizens who had undergone a recognition procedure, 17 respondents reported accepting a job below their qualification level, indicating a skills mismatch. Thirteen respondents stated that the process encouraged them to resume studies or training in order to meet recognition requirements. 12 respondents obtained a job opportunity matching or exceeding their qualification level, while another 12 respondents reported having missed a job opportunity as a result of the recognition process. 11 respondents indicated that they had started working in a different field, and 10 respondents reported delays in starting a new job. In addition, 9 respondents stated that the outcome discouraged them from moving to or applying for a job opportunity in another country, while 2 respondents indicated that the process ultimately led them to leave the EU and migrate elsewhere. Stakeholders consistently associate delayed, partial or failed recognition with significant skills waste, as professionals are compelled to accept underqualified roles or work outside their field while procedures are pending, even in sectors experiencing acute labour shortages.

The call for evidence feeding into the public consultation confirms that qualification recognition systems in the EU remain fragmented, lengthy and unpredictable, generating significant barriers to labour mobility and skills portability. Stakeholders consistently report that **limited trust in foreign qualifications, divergent scopes of practice across MS, and assessment practices centred on diplomas constrain both employer recruitment decisions and individual career progression**. These challenges translate into delayed labour market entry, skills waste, downgraded employment outcomes and missed job opportunities, with disproportionate effects on SMEs, early-career professionals and sectors characterised by high regulatory or safety requirements. Employers, in particular, underline legal and operational risks linked to uncertainty over professional status, good standing and timelines, which discourages cross-border hiring even in contexts of labour shortages.

Evidence also highlights persistent structural weaknesses in recognition procedures themselves, which frequently exceed PQD deadlines and impose **high direct and indirect costs related to fees**, **translations**, **compensatory measures and income loss during prolonged procedure**s. Fragmented information landscapes and the lack of a single authoritative entry point further exacerbate uncertainty for applicants and employers, leading to inappropriate applications, procedural duplication and administrative fatigue. These shortcomings undermine confidence in the practical enforceability of free movement rights and generate spill-over effects for employers through delayed onboarding, disrupted workforce planning and increased reliance on interim labour solutions.

Finally, contributors show **strong support for EU-level action** to address these challenges, provided it builds on existing legal and administrative frameworks rather than creating parallel mechanisms. Stakeholders broadly **endorse better integration, interoperability and operational use of EU transparency tools such as the EQF, Europass, ESCO and the SDG**, alongside clearer, more intelligible qualification information. While digital and verifiable credentials are viewed positively in principle, their uptake is conditional on clear legal value, robust governance, and full embedding into established recognition procedures. Across stakeholder groups, there is a consistent call for proportionate, profession-specific solutions that improve predictability and trust while safeguarding professional standards, liability frameworks and public interest objectives.

4. Stakeholder consultations carried out for the supporting study

As part of the evidence-gathering for this impact assessment, a range of targeted consultation activities was carried out by the contractor to collect additional input from key stakeholders. These activities aimed to refine the problem definition, inform the design of policy measures, and assess their potential impacts. They comprised strategic interviews, a consultation workshop, focus groups, and surveys, as outlined below.

Strategic interviews were conducted to refine the scope of the analysis and gather additional evidence on the SPI, the PQD, key issues affecting recognition procedures, and possible adjustments suggested by stakeholders. In total, 8 interviews were carried out with 10 Commission staff members from DG EMPL, DG GROW and DG SANTE. A **consultation workshop** was organised to discuss and further develop the problem definition. The workshop took place in February 2026 and brought together 39 participants, including members of the GoC and National ACs. **Two focus groups** were organised to collect stakeholder feedback on the expected impacts of the preliminary policy measures designed to address the identified problems in recognition processes. The first focus group took place in February 2026 with EU-level representative organisations of the seven sectoral professions benefiting from automatic recognition based on minimum training requirements. The second focus group was held in March 2026 with members of the GoC and covered the same set of topics. Finally, **two surveys were conducted** to collect evidence on (i) the costs incurred during recognition procedures and (ii) the potential benefits of digitalisation. One survey targeted national CA responsible for recognition processes in the seven sectoral professions under automatic recognition and was disseminated through the GoC and direct outreach. The second survey targeted EU citizens holding professional qualifications who are currently seeking, or have previously sought, recognition for one of these professions; it was circulated through professional representative organisations participating in the consultation process.

Tool/Method	Objectives	Stakeholders (number and type)	Start – end date	IA elements/steps
Scoping interviews	Refine the scope of the study Collect additional qualitative evidence on the PQD and views on the SPI Identify key issues affecting recognition procedures Gather stakeholders' views on potential adjustments or improvements to the existing recognition framework	DG SANTE (1) DG EMPL (4) DG GROW (5)	20.01.26-06.02.26	Problem definition Development of policy options
Consultation workshop	Discuss and refine the problem definition	Members of the Group of Coordinators (39, covering 22 MS)	10.02.26	Problem definition
Focus groups	Gather participants' feedback on the expected impacts of the preliminary policy measures. Assess whether the proposed measures adequately address the problems identified in recognition processes. Identify perceived strengths, weaknesses, and potential unintended effects of the proposed measures.	EU-level representative organisations of the seven sectoral professions benefiting from automatic recognition based on minimum training requirements (21) Members of the Group of Coordinators covering (28, covering 16 MS)	23.02.26 04.03.26	Development of policy options

Tool/Method	Objectives	Stakeholders (number and type)	Start – end date	IA elements/steps
Survey on Costs	Collect evidence on the costs incurred by individuals and CAs during recognition procedures. Assess the potential benefits of digitalisation in terms of efficiency, cost reduction, and procedural simplification.	National CAs (82 – covering 22 MS) EU citizens with professional qualifications who are currently seeking, or have previously sought, recognition for one of these seven professions (203 from 24 MS)	16.02.26-18.03.26	Assessment of impacts on targeted aspects of the PQD

Consultation workshop and focus groups

The workshop, involving 39 participants, confirmed that **the proposed problem definition broadly reflects national realities, where significant divergences persist**. Divergences are particularly noticeable between well-functioning automatic recognition systems and more burdensome general systems. The main structural constraints identified were insufficient administrative capacity, excessive verification requirements (reported by 5 participants), weak administrative cooperation (delayed or missing replies from competent authorities were reported by 12 participants), and underuse or ineffective use of IMI and EPC tools (excessive use of IMI alerts was reported by 7 participants), often compounded by delayed or missing responses from other authorities. Linked to the problems presented, participants stressed the lack of trust in foreign qualifications, especially in the general system, which drives over-checking and repeated requests for documentation. Participants highlighted **persistent information gaps for applicants**, notably regarding the competent authority to contact, required documentation, procedural steps, and compensation measures, despite partial progress through portals, assistance centres, and the Single Digital Gateway. Applications remain frequently incomplete (7 participants reported receiving complete and correct applications to a great extent, 18 to a certain extent, and 7 to a limited extent); incomplete applications are found especially in the general system, particularly where professions are regulated in one Member State but not in another, or where supporting documents (e.g. certificates of good standing or evidence of professional experience) are difficult or impossible to obtain. **Digitalisation has advanced but remains uneven**: processes are often only partially digital, document submission channels remain fragmented, and digitally signed certificates face interoperability barriers. Overall, the discussion pointed to the need to strengthen trust-based recognition, improve interoperability and usability of EU-level tools (IMI, RegProf, EPC), and reduce administrative burden through clearer rules, better data alignment, and more effective cooperation between competent authorities.

The two focus groups broadly confirmed that the main obstacles to the effective functioning of automatic recognition under the PQD are not so much rooted in the legal framework itself, but in shortcomings in its implementation. Participants from both professional organisations and CA consistently pointed to fragmented, incomplete, and poorly coordinated information available to applicants (24 of the 28 GoC members reported **increased administrative workload due to information gaps** “to a certain extent”), limited digitalisation of procedures, and uneven administrative capacity across MS as the primary drivers of delays, uncertainty, and additional costs for CAs. There was strong convergence on the **need to improve the clarity, accessibility, and consistency of information requirements** (a priority for 26 of the 28 GoC members), including documentation, timelines, and fees, while avoiding measures that could undermine professional standards or public interest objectives.

The discussions highlighted **broad support for policy measures aimed at process efficiency, digitalisation, and stronger administrative cooperation**. Digital-by-default procedures, better use of existing EU tools such as IMI and the Single Digital Gateway, proportional documentation requirements, and AI-assisted workflows were widely seen as having the greatest potential to reduce administrative burden and improve predictability, provided they support rather than replace professional judgment. By contrast, shortening statutory recognition deadlines were met with significant reservations, particularly from CA concerned about administrative capacity, overall process duration, and unintended redistribution of workloads, notably for third-country qualifications. Overall, participants considered that the effects of the proposed measures would be broadly beneficial (including a slight reduction of incomplete or incorrect applications, expected by 8 of the 28 GoC members), and a limited reduction of the duration of application procedures, expected by 3 of 21 professional organisations representatives). However, both groups stressed that **expected benefits would materialise only gradually and subject to complementary conditions, including adequate resourcing, training, interoperability of systems, and effective national implementation**. Both focus groups emphasised that improvements in recognition processes depend less on legislative change than on consistent application, mutual trust between authorities, and sustained investment in digital infrastructure and cooperation mechanisms.

Surveys with citizens and CA

Out of the 203 citizen surveyed, 48 provided relevant replies. Survey results indicate **limited clarity of pre-application information**. Only 12/48 respondents consider the information very clear, while 26/48 describe it as clear but point to inconsistencies across sources. 8/48 respondents finds the **information difficult to understand**.

Survey responses from citizens also confirm that **recognition procedures are often lengthy**. Most respondents report that the process took more than four months from application to decision (26/48 respondents), while only a small share experienced processing times between three and four months (5/48 respondents). Preparatory steps are also time-intensive: determining whether a profession is regulated requires weeks or months for a large share of respondents (21/48 respondents), while seeking professional advice entails similar timeframes (19/48 respondents). Identifying the CA requires significant effort for nearly one third of respondents. Regarding documentation, most citizens consider requirements proportionate to their purpose, either fully (18/48 respondents) or mostly (16/48 respondents). However, a non-negligible share perceives them as excessive (14/48 respondents).

CA largely confirm the proportionality of **documentation requirements**, with most considering them fully proportionate (52/82 respondents) or mostly proportionate (27 respondents), and only a marginal share viewing them as somewhat excessive (2 respondents). According to CA**, delays in recognition procedures** primarily stem from incomplete or incorrect documentation submitted by applicants (57/82). Additional sources of delay include late responses from other authorities (15/82) and the time required for authenticity checks (12/82), indicating that **inefficiencies** are closely linked to documentation quality and inter-authority coordination.

Staff effort in CA varies significantly depending on the activity to be carried out in the context of recognition procedures. Routine tasks, such as maintaining national portals or updating the RegProf, usually require fewer than 10 to 20 man-days per year, while responding to preliminary inquiries and issuing certificates often require between 20 and more than 50 man-days, and in some cases exceed 150 man-days. Core assessment activities, including equivalence assessment, document authenticity checks and drafting decisions, frequently require 30 or more man-days annually. **Digitalising paper-based files continues to require substantial effort, indicating incomplete transition to fully digital workflows**. In terms of staff needs to process recognition applications, CAs report significant variation: 21/82 indicate between one and two FTE, 15/82 indicate between two and five FTE, 14/82 indicate between five and ten FTE, 11/82 between one and 0,5 FTE, while 10/82 operate with less than 0,5 FTE. Financially, the most significant costs relate to the development and updating of electronic templates (around EUR 28 000 annually), followed by cybersecurity and data protection compliance (around EUR 14 000) and core IT infrastructure costs (around EUR 13-14 000). Phone and printing services entail moderate costs (around EUR 6-8 000), while expenditure on staff training remains comparatively low (around EUR 4 000). Additional costs not fully captured include legal fees, expert assessments and further IT or digitalisation expenses, in some cases amounting to hundreds or thousands of euros annually. Cooperation among CAs is mainly constrained by differences in national procedures or requirements (47/82), as well as delayed responses and lack of clear deadlines (36/82), highlighting structural barriers to timely cooperation.

Application costs are varied. Fees for certified translations and for notarisation, legalisation or apostille are incurred by a large majority of citizens (35/48 respondents). Other common costs include obtaining official documents from home country authorities (32/48 respondents), postal or courier services (33/48 respondents), identity verification (25/48 respondents) and application-related fees in the host country (30/48 respondents), although only a small share report fees specifically for submitting the application (2/48 respondents). Expenditure levels vary widely, from negligible amounts to several hundred euros, and in some cases thousands of euros, with translation costs frequently reported between EUR 100 and EUR 300 and sometimes exceeding EUR 500. Respondents also report additional costs not formally part of the procedure, such as language courses, exams and travel, which in some cases amount to several thousand euros and represent a significant barrier to access. Survey results indicate that costs and duration affect mobility decisions. While nearly half of respondents report that these factors did not prevent them from working in another MS (22/48 respondents), a substantial share experienced significant difficulties without abandoning mobility plans (19/48 respondents). 7/48 respondents postponed or abandoned mobility altogether, illustrating the deterrent effect of financial and administrative burdens on cross-border mobility.

From the citizens' perspective, recognition procedures remain largely non-digital. A majority report that it is not possible to complete the process fully online (33/48 respondents). Key bottlenecks include document submission (27/48 respondents), identity verification (16/48 respondents), communication with CA, delivery of the final decision and in-person appointments (12 respondents each). Even payment of fees still involves non-digital steps for a significant share of respondents (10/48 respondents).

By contrast, CAs report higher levels of digitalisation. Just less than half indicate that the full recognition process can be partially conducted online (38/82), while a third report full digitalisation (29/82) and one sixth report no possibility to complete the process online (14/82). This discrepancy points to **uneven implementation of digital tools across authorities.** Despite limited realised savings, authorities identify substantial future potential of digitalisation tools and measures to aid recognition processes. The most consistently expected benefit is shorter recognition processes (44/82), particularly through faster document exchange and reduced duplication. Many also anticipate lower costs for applicants (e.g. fewer apostilles and certified copies) (40/82), though benefits for authorities themselves are perceived as more uncertain. Higher efficiency in terms of less staff needed is expected by 23/82 authorities. Respondents stress that digitalisation alone is insufficient: tangible gains depend on legal acceptance of fully digital procedures, interoperable and trusted EU level verification tools, and greater convergence of national practices. Without these enabling conditions, digitalisation risks changing the nature of work rather than reducing overall costs or workload.

1. Practical implications of the initiative

The implementation of the preferred option would require significant practical action by both the Commission and the MS to ensure that the revised framework functions effectively in practice.

For the Commission

- Prepare and propose the legislative amendments necessary to introduce the measures under the preferred option.
- Monitor and support the implementation of the revised Directive using the usual enforcement tools available to the Commission and the application of lump-sum compensation.
- Facilitate exchanges of best practices, common understandings and operational coordination within the Group of Coordinators and its subgroups.
- Provide and maintain the EU-level digital system and AI-supported workflow tools supporting recognition procedures.
- Provide continuous technical support, operational guidance and training to national administrations using the new tools and systems.

For MS and CAs

- Transpose the revised Directive into national law and adopt the necessary implementing measures at national level.
- Ensure coordination between national coordinators and CAs responsible for recognition procedures.
- Instruct and support CAs on the practical implementation of the revised rules and procedures.
- Provide complete, accurate and regularly updated information on regulated professions and recognition requirements.
- Regularly provide updated statistics and cooperate effectively with the Commission and other MS.
- Use correctly and consistently the EU-supported system and AI-supported workflow made available for recognition procedures.
- Adapt internal workflows, administrative practices and, where necessary, IT infrastructure to support digital and AI-assisted procedures.

- Respect binding deadlines for recognition procedures and administrative cooperation requests.

- Respect obligations relating to lump-sum compensation mechanisms in cases of non-compliance with deadlines.

- Refrain from requesting unnecessary additional documents, translations or verifications where interoperable digital credentials are used.

- Respect harmonised rules on fees, procedural deadlines and appeal rights established under the revised Directive.

- Draw the attention of the Commission and other MS to shortcomings, implementation difficulties and areas requiring further attention or improvement in the practical application of the revised Directive.

2. Summary of costs and benefits

I. Overview of Benefits (total for all provisions) – Preferred Option		
Description	***Amount***	***Comments***
Direct benefits (cost-savings)		
Administrative cost-savings per procedure (applicants and CAs)	EUR 417–608 net saving per procedure (central: EUR 512.5) EUR 27.2 million annually starting in 2029 **EUR 255.2 million over the period 2029–2040** (present value, discounted to 2026 at a rate of 3%).	Saving per procedure after applying a 95% realisation factor. Main components: certified translation (EUR 93/procedure), CA variable staff costs (EUR 192/procedure), notarisation and apostille (EUR 14/procedure), fee harmonisation (EUR 18/procedure combined). Recipients: applicants/professionals (EUR 145 savings per procedure) and CAs (EUR 278 savings per procedure). These savings for applicants and competent authorities correspond to the sum of the savings identified for the individual cost components presented in Annex 13. If these per-procedure savings were multiplied directly by the annual volume of approximately 53 000 recognition procedures, they would result in annual administrative savings of around EUR 7.7 million for applicants and EUR 14.7 million for competent authorities, or approximately EUR 22.4 million in total. This differs from the aggregate annual administrative savings estimate of EUR 27.2 million in the column to the left. The difference reflects a methodological choice made for the estimation of total administrative cost savings, which are calculated using a calibrated aggregate approach rather than by summing the savings estimated for each individual cost component. As explained in Annex 13, the aggregate approach captures additional efficiency gains that cannot be readily allocated to specific cost categories and ensures consistency with the overall quantification methodology applied throughout the impact assessment.

I. Overview of Benefits (total for all provisions) – Preferred Option		
Monetised time savings for applicants	EUR 136.6 million per year (starting in 2029) presented as direct gains accruing to applicants in the form of earlier access to professional practice. Total value: **EUR 1 281.7 million over the period 2029–2040** (present value, discounted to 2026 at a rate of 3%).	The estimates are anchored to a methodology based on observed processing time reductions and occupational wage proxies. The analysis segments the SCM baseline of 53 000 procedures between procedures covered by the automatic recognition system on the basis of minimum training requirements (approximately 46% of total establishment decisions, around 24 380 procedures per year, drawn from RegProf cumulative statistics) and procedures handled under the general system (approximately 28 620 procedures per year). Expected processing time gains are anchored to the deadline reductions envisaged under the policy options (approximately two months for automatic recognition, from three months to one month; approximately one month for the general system, from four months to three months). The monetised time savings are proxied through occupational wage references derived from the Eurostat Structure of Earnings Survey 2022 (in the order of EUR 50 000 annual gross earnings for ISCO-08 OC2 Professionals, used for nurses and medical doctors in the automatic group; in the order of EUR 40 000 for engineers and electricians in the general group), with realisation factors of 60% under PO1, 75% under PO2 and 95% under PO3 applied to differentiate the welfare gain across the three options. The estimates are presented as indicative orders of magnitude. Recipients: applicants/ professionals. Broader economic effects beyond these immediate welfare gains are not included in the quantitative assessment, as they would involve diffuse channels (productivity spillovers, allocative efficiency gains across the wider economy) that cannot be robustly quantified within the present analytical framework.
Reduction in employer-borne administrative costs from cross-border recruitment (incl. SMEs)	EUR 1.5 million per year, starting in 2029 **EUR 14.1 million over the period 2029-2040** (present value, discounted to 2026 at a rate of 3%).	SME Panel Survey (2026, n=159) documents mean external recognition costs of EUR 814/hire for non-national EU qualifications SME respondents anticipate savings of 26–36% per cost category from a common EU digital recognition system. Under PO3, mandatory digital credentials and harmonised procedures directly target these cost components. Recipients: employers, particularly SMEs with limited HR capacity.

I. Overview of Benefits (total for all provisions) – Preferred Option		
Total	**EUR 1 550.9 million over the period 2029-2040 (present value, discounted to 2026 at a rate of 3%).**	
Broader economic impacts		
Firm-level competitiveness	Strong positive impact	Increased recruitment opportunities, lower vacancy durations for critical roles, improved intra-firm matching, higher labour productivity. Faster and more predictable recognition processes expected to improve the availability of qualified professionals in regulated sectors facing acute shortages. The European Labour Authority (2024) documents shortages of specialist medical practitioners in 75% of EU countries, generalist practitioners in 64%, and nurses in 78%. Recipients: general public, service users, employers in shortage sectors.
Macro-economic benefits	Strong positive impact	Improved cross-border professional mobility supports the functioning of the EU internal market in services. Reduced recognition barriers lower the cost of labour market access for mobile professionals, improving allocative efficiency and reducing skills mismatches. Reduced overqualification, improved labour productivity as well as labour market resilience. Consistent with the strategic objectives identified in the Draghi Report (2024) and the Commission's Union of Skills communication. Recipients: EU economy broadly.
Digitalisation and interoperability	Strong positive impact	Strong positive impact on the digitalisation and interoperability of recognition procedures, reducing fragmentation and supporting a more coherent, efficient and trusted digital ecosystem across thousands of CAs, professions and related stakeholders throughout the Single Market.

Source: Elaboration based on quantitative estimates drawn from citizens/professionals survey (n=48); CA survey (n=81); GoC Focus Group (4 March 2026); Scholz and Rohr (2026); ECA Special Report 2024-10; SWD(2026) 64 final. Aggregate estimates based on approximately 53.000 annual procedures (long-run SCM baseline).

II. Overview of costs – Preferred Option (PO3)

		Citizens/consumers		*Businesses*		*Administrations*	
		One-off	**Recurrent**	**One-off**	**Recurrent**	**One-off**	**Recurrent**
Information harmonisation and RegProf synchronisation	Direct adjustment costs	—	—	—	—	Legislative transposition	Maintenance of standardised information content and automated RegProf reporting
	Direct administrative costs	—	—	—	—	Staff time for implementing information requirements on national CA websites	Staff time for maintaining standardised information content across CA portals
	Direct regulatory fees and charges	—	—	—	—	—	—
	Direct enforcement costs	—	—	—	—	—	—

II.	Overview of costs – Preferred Option (PO3)						
	Indirect costs	Temporary adjustment as applicants familiarise with new information portals and digital tools	—	—	—	Coordination costs during transition to standardised information structure across MSs	—
Procedural deadlines, documentation limits and fee harmonisation	Direct adjustment costs	—	—	—	—	Legislative transposition; higher in MSs requiring most significant procedural reform	Compliance costs for implementing binding procedural deadlines
	Direct administrative costs	—	—	—	—	—	Additional staff time required to meet shorter deadlines; variable across MS.
	Direct regulatory fees and charges	—	—	—	—	—	Possible reduction in fee income for CAs in some MS as a result of fee harmonisation; variable across MSs.

II.	Overview of costs – Preferred Option (PO3)						
	Direct enforcement costs	—	—	—	—	Investment in mechanisms to comply with binding deadlines: costs variable across MSs	Monitoring compliance
	Indirect costs	Temporary adjustment costs as applicants adapt to new digital credential submission processes and standardised fee structures	—	Temporary HR adjustment costs as employers adapt to new digital verification procedures	—	—	—

IT implementation costs: cumulative **EUR 11.14 million over the period 2027-2040** (discounted to 2026 using a 3% discount rate)

Under the preferred option, IT implementation costs are incurred only at EU level and are borne by the Commission, thereby avoiding separate development and implementation costs for Member States. These costs are estimated at EUR 4.46 million in one-off development expenditure during 2027–2028, followed by annual operational costs of EUR 1.09 million during the stabilisation period in 2029–2030 and EUR 0.65 million per year thereafter, from 2031 to 2040.

II. Overview of costs – Preferred Option (PO3)

Costs related to expected volume increases: cumulative **EUR 47.9 million over the period 2029-2040** (discounted to 2026 using a 3% discount rate).

The preferred option is also expected to increase the volume of recognition applications and cases - an intended consequence of the initiative, which aims to facilitate cross-border mobility in relation to regulated professions. The associated administrative expenditure has been treated as a cost in the analysis above. These costs would be incurred by the competent authorities handling the cases and by the additional professionals who choose to seek recognition as a result of the policy intervention. Based on an estimated increase of 6 625 recognition cases per year from 2029 onwards, the resulting additional administrative costs are estimated at approximately EUR 5.1 million annually.

Source: Working estimates developed in cooperation with the digital units of DG EMPL and DG GROW, SPI public consultation, CA survey (Q17).

III. Contribution to the administrative burden reduction target – Preferred Option (PO3)					
Administrative costs (M EUR)	***New recurrent costs (INs) (nominal values per year)***	***Removed recurrent costs (OUTs)*** ***(nominal values per year)***	***Net costs (INs – OUTs) (nominal values per year)***	***New one-off costs (INs) (annualised total net present value over the relevant period)***	***Removed one-off costs (OUTs) (annualised total net present value over the relevant period)***
All businesses	Nil material new recurrent administrative obligations on businesses	~EUR 1.3–1.8 M/year (central estimate around EUR 1.5 M/year), based on ~EUR 814/hire × 6 360 employer-handled procedures/year × 95% PO3 realisation factor × midpoint 31% saving rate (range 26%–36% per cost category)	~−EUR 1.3–1.8 M/year (net reduction)	Nil	Nil
Of which SMEs	Nil	Proportionate share of above; SMEs anticipate 26–36% reduction per cost category; aggregate not separately quantified	Net reduction (negative); not separately quantified	Nil	Nil
Public administrations	Minimal; mandatory RegProf real-time reporting and enforcement activity expected to decline as automated systems embed	~EUR 14.7 M/year (removed CA administrative costs: EUR 278/procedure × 53 000 procedures/year, central estimate)	~−EUR 14.7 M/year (net reduction in CA recurrent admin costs)	Nil	Nil

III. Contribution to the administrative burden reduction target – Preferred Option (PO3)					
Citizens	Nil new recurrent administrative costs on applicants	~EUR 7.7 M/year (applicant compliance cost component: EUR 145/procedure × 53 000 procedures/year, central estimate; covers translation, fees, notarisation and postal costs)	~-EUR 7.7 M/year (net reduction in CA recurrent admin costs)	Nil	Nil

1) Administrative burden reduction estimates derived from the SCM analysis using the EU Standard Cost Model (2) Applicant-borne savings and CA-borne savings estimated from component-level analysis. (3) Employer aggregate savings estimated; SME Panel Survey (2026) provides unit-level evidence (30% saving per cost category) but total population of employer-supported procedures is not precisely known. Source: SME Panel Survey (2026, n=159); CA survey (n=81).

3. Relevant sustainable development goals

The initiative is relevant to four of the United Nations Sustainable Development Goals, as summarised in Table IV below. The most directly relevant goals are SDG 8 (Decent Work and Economic Growth) and SDG 10 (Reduced Inequalities), which represent the primary impact channels of the initiative and reflect its core objective of removing barriers to labour market participation for qualified professionals exercising their right to free movement. SDG 4 (Quality Education) and SDG 17 (Partnerships for the Goals) are indirectly relevant through the initiative's effects on the recognition and portability of educational qualifications and on cross-border institutional cooperation.

IV. Overview of relevant Sustainable Development Goals – Preferred Option(s)		
Relevant SDG	**Expected progress towards the Goal**	**Comments**
SDG 8 Decent Work and Economic Growth	Expected reduction in barriers to labour market participation for qualified professionals exercising free movement rights. Under PO3: in the order of several thousand additional recognised professionals gaining labour market access per year by the end of the horizon; per-procedure recognition cost reduction of 33–47%; net system burden reduction of 26–39%	Target 8.5 (full and productive employment and decent work for all) and 8.6 (reduction in proportion of youth not in employment, education or training): the initiative directly supports labour market participation of qualified professionals seeking to exercise their profession in another MS. Reduced recognition barriers lower the transaction costs of intra-EU labour mobility, supporting efficient allocation of skilled labour and reducing skills mismatches. Consistent with the EU's Union of Skills objectives and the broader single market competitiveness agenda.
SDG 10 Reduced Inequalities	Expected reduction in structural barriers faced by professionals from other MS in accessing host-country labour markets; improved equity of access to regulated professions regardless of national origin; particular benefit for early-career professionals and those from MSs with less widely recognised educational systems	Target 10.2 (empowerment and inclusion of all, irrespective of national origin) and 10.7 (facilitation of orderly, safe, regular and responsible migration and mobility): the initiative reduces inequality of access to professional labour markets based on national origin. Under PO3, mandatory harmonisation of procedural timelines and documentation requirements reduces the scope for discriminatory or inconsistent application of recognition rules at national level.

Costs per procedure

The administrative costs per applicant are estimated at approximately EUR 330 per procedure (median), comprising six components derived from question 17 of the citizens/professionals survey: fees paid to the qualification-issuing institution and the home competent authority, certified translation costs, notarisation and apostille fees, and postal or courier charges, together with the host CA application fee. The mean total is EUR 867, reflecting a right-skewed distribution driven primarily by translation costs and host CA fees. These figures should be interpreted as EU27 central estimates across heterogeneous procedures, professions and MS — not as uniform costs applicable to all cases — given that costs vary substantially between automatic recognition and general system procedures, across professions, and across MS with different fee structures. The breakdown of cost components is presented in the table below.

Cost component	Median (EUR)	Mean (EUR)
Fee — qualification-issuing institution	38	78
Fee — home CA (official documents)	22	67
Certified translation	150	375
Notarisation / apostille	50	94
Postal / courier	20	30
Host CA application fee	50	223
Total per procedure	330	867

Source: citizens/professionals survey, Q17; contractor's calculations.

Two cost components warrant specific methodological comment. For certified translation, the median of EUR 150 was adopted on the full numeric distribution, inclusive of two high-end observations (EUR 2 000 and EUR 4 000), which are plausible for complex multi-document dossiers requiring sworn translation; this figure is consistent with the EUR 100–400 per document range confirmed by Scholz and Rohr.[163] For the host CA application fee, the distribution is bimodal: approximately 81 out of 203 respondents reported zero fees, consistent with SWD(2026)64 and the GoC Workshop of 10 February 2026 (11 out of 28 reporting no fee formula); at the upper tail, fees extend to EUR 17 500 for licensed professions (ECA 2024-10 §44). The median of EUR 50 is adopted as the central estimate,

[163] Scholz and Rohr. (2026) How can AI translations be used for equivalence assessments?

with the mean of EUR 223 serving as an upper bound. This is broadly consistent with SWD(2026)64 (median EUR 200, mean EUR 411, n=284) and with the SPI consultation, where among EU citizens with direct recognition experience and valid cost responses (n=46), 20 reported total costs in the EUR 1–250 band and approximately 13 reported costs above EUR 500.

The variable cost borne by competent authorities is estimated at approximately EUR 950 per procedure and comprises two components: variable staff cost (EUR 623) and other variable operating costs (EUR 327). The staff component is derived from questions 9, 11 and 18 of the competent authority survey. Question 9 asks respondents for the average annual salary of staff involved in managing the recognition process. After cleaning, the median is EUR 32 000: eight responses below EUR 5 000 were converted from monthly to annual figures (×12), consistent with the geographic distribution of the respondents concerned, and one extreme outlier (EUR 902 743) was removed, leaving 58 valid responses; the mean of EUR 37 299 is retained as an upper bound. The median has been benchmarked against the Eurostat Structure of Earnings Survey 2022 (EU-27 mean annual gross earnings for ISCO-08 OC2 Professionals), which returns a comparable order of magnitude for mid-level administrative staff, and significant cross-country variation in the underlying responses is acknowledged. Over 220 working days, this implies a daily staff cost of approximately EUR 145. Questions 11 and 18 ask respondents to report, in man-days, the annual effort devoted to each activity in the recognition process. Question 11 covers the preliminary stage — maintenance of national portals and the Single Digital Gateway interface, responses to pre-application enquiries, consultation and updating of the Regulated Professions Database, issuance of outgoing certificates — and question 18 covers core case processing: digitisation of paper files, staff training on IMI, EPC and PQD requirements, verification of document authenticity, assessment of training equivalence, communication through IMI, drafting of decisions, and handling of appeals. Applying arithmetic midpoints to the ordinal response classes gives a total of 220.5 man-days per authority per year. The share of that workload which varies with the number of cases handled corresponds to approximately 4.3 man-days per procedure, which at EUR 145 per day gives a staff cost of approximately EUR 623 per procedure. The second component reflects the non-staff operating costs directly associated with the processing of individual recognition cases. It is based on question 17 of the competent authority survey, which collects annual monetary expenditure for case-related operating costs, including electronic templates, servers, IT services, telephony, cybersecurity and data protection compliance, printing and staff training. These costs are estimated to amount to approximately EUR 327 per procedure. The two components together give the variable cost of approximately EUR 950 per procedure.

Added to the EUR 330 borne by the applicant, the EUR 950 gives the total per-procedure burden of EUR 1 280 used throughout the analysis.

Administrative costs borne by employers

The relevant sub-population for the application of these costs is the share of recognition procedures with active employer involvement. Out of the 159 SME respondents to the SME Panel Survey, 19 respondents reported that recognition procedures are handled directly by the employer on behalf of the prospective employee, 47 reported that the employer supports the procedure while the employee retains responsibility for it, and 24 respondents reported that the procedure is handled independently by the employee. Based on this, we assume that around 12% of procedures are handled directly by the employer on behalf of the prospective employee, around 30% are supported by the employer with the employee retaining responsibility for the procedure, and around 15% are handled independently by the employee.[164]

The sub-population to which the per-hire cost is applied is derived directly from the SME Panel Survey, Table 8: applying the 12% share of employer-handled procedures to the SCM baseline of 53 000 procedures per year gives a sub-population of approximately 6 360 procedures per year. The 30% share of procedures supported by the employer but for which the applicant retains responsibility for the procedure and bears the out-of-pocket fees is documented qualitatively in this analysis but is not included in the quantitative calculation, as those fees are already accounted for under the applicant-side compliance costs (citizens/professionals survey Q17, average EUR 330 per procedure), and the corresponding employer support takes the form of HR time and managerial backing not separately quantified in an additive way in the SME Panel Survey evidence base.

These estimates are methodologically distinct from the cost components already captured above for the applicants, and double counting is excluded by construction through the sub-population restriction. The applicant-side compliance costs reported in question 17 of the citizens/professionals survey[165] — fees charged by the qualification-issuing institution, fees charged by the home competent authority for official documents, certified translation, notarisation, postal or courier costs and host competent authority fees, totalling on average EUR 330 per procedure — are out-of-pocket costs paid by the applicant directly when the applicant is responsible for the procedure. The competent-authority-side costs derived from the CA survey — variable staff time and other variable components, totalling on average EUR 950 per procedure — are borne by the receiving authority. The employer-borne costs documented by the SME Panel Survey — covering the full set of costs an employer reports incurring when handling the recognition procedure on behalf of the employee, including recognition body fees paid by the company in lieu of the applicant, internal HR administrative time and external consultancy or legal support — are sustained by the hiring organisation only in the 12% of procedures handled directly by the employer. The application of the employer-borne unit cost (EUR 814 per hire) to this restricted sub-population avoids double counting with the applicant-side estimate: in the remaining 88% of procedures, the applicant pays the out-of-pocket fees and these are accounted for under Q17 of the citizens/professionals survey. The difference in magnitude between the applicant-side fees captured by Q17 (around EUR

[164] SME Panel Survey, Summary Report, Table 8 'Arrangement for formal recognition procedures'. Distribution of responses: 'We (the employer) handle the recognition procedure on behalf of the employee' 12% (n=19 of n=159); 'We support the employee, but they are responsible for handling the procedure' 30% (n=47); 'The prospective employee handles the procedure independently' 15% (n=24); 'It depends on the case' 3% (n=5); 'Don't know / Not applicable' 40% (n=64).

[165] Q17 of the citizens/professionals survey, exact wording: "During the recognition process, did you incur in any of the following costs?" The cost components captured by Q17 are: fees charged by the qualification-issuing institution; fees charged by the home competent authority for official documents; certified translation; notarisation or apostille; postal or courier costs; host competent authority application fees. The median total of EUR 330 per procedure (mean EUR 867) corresponds to the sum of the medians of the six cost components reported in the comparative summary above (n=48 respondents).

110 in cumulative fees across the qualification-issuing institution, home CA and host CA components) and the SME Panel Survey 'fees for recognition bodies' (mean EUR 407, n=14) reflects the broader cost perimeter captured by the employer-side question, which includes ancillary fees and costs incurred by the firm in the management of the recognition file beyond the strict application fees borne by the applicant.

The integration of employer-borne administrative costs into the structural cost-savings analysis strengthens the evidence base for the comparative assessment of the three policy options and reinforces the policy relevance of the initiative for cross-border labour-market matching. SME Panel Survey respondents identify reduced administrative burden during recruitment as the most widely anticipated benefit of a common EU digital recognition system (108 out of 159 respondents), followed by faster recruitment processes (97 out of 159) and easier hiring from other MS (80 out of 159).[166] Position papers from BusinessEurope and SMEUnited provide qualitative confirmation that recognition barriers weigh disproportionately on small and medium-sized enterprises, which lack the dedicated human-resources capacity available to larger firms.[167] While the order of magnitude of the quantified savings remains modest in aggregate terms, their strategic significance lies in the contribution to addressing persistent labour shortages in regulated professions, a structural concern documented across MS by recent EU-level labour market analyses.

Monetised time savings

The recognition procedure imposes a significant opportunity cost on applicants who are unable to practise during the period in which their qualifications are under assessment. Survey evidence from the citizens/professionals survey indicates that 23 out of 48 respondents reported being entirely unable to work during the recognition procedure - for the purposes of the analysis, this evidence is used to support the assumption that 47.9% of applicants are unable to work while their recognition procedure is ongoing,[168] while 7 out of 25[169] of those

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[166] SME Panel Survey on Cross-border Recruitment and Recognition of Qualifications (2026), Summary Report, Table 13 'Perceived benefits of a common EU-wide digital qualifications and skills credentials system'. Distribution of responses: 'Reduced administrative burden during recruitment' 68% (n=108); 'Easier assessment of foreign qualifications' 63% (n=100); 'Faster recruitment processes' 61% (n=97); 'Lower costs related to verifying qualifications' 50% (n=80); 'Easier hiring from other EU countries' 50% (n=80); 'Increased confidence in authenticity of documents' 49% (n=78); 'Improved ability to compare candidates' qualifications' 46% (n=73); 'No significant benefits' 8% (n=13).

[167] BusinessEurope and SMEUnited submitted formal feedback to the IR Survey 2024 questionnaire administered in support of the impact assessment of the Skills Portability Initiative. BusinessEurope identifies recognition procedures as 'often slow, especially for regulated professions, delaying the entry of professionals into the labour market', and calls for end-to-end digitalisation of recognition procedures and improved transparency of qualifications systems. SMEUnited (the European association of crafts and SMEs) documents that recognition challenges are 'particularly burdensome for safety-critical professions' such as electricians, plumbers and construction workers, that 'qualification requirements vary significantly across MS', and that 'the recognition process is often slow, costly, and burdened by bureaucracy'; the organisation calls for streamlined recognition of foreign qualifications while maintaining quality standards.

[168] Q21 of the citizens/professionals survey, exact wording: 'During the recognition procedure, were you able to work in your country of destination?' Distribution: 'No, I was unable to work' 47.9% (n=23); 'Yes, I worked' 52.1% (n=25); n=48 respondents. While the underlying sample is relatively limited and may therefore not be fully representative of the wider applicant population, it constitutes the most direct evidence available on the labour market consequences of recognition delays. ECA confirmed that there is no data making it possible to

who were able to work reported being employed in roles not in line with their qualification level. For the time savings analysis, the relevant counterfactual is not the median observed procedural duration but the reduction in processing timelines expected from the measures under each policy option: under the package of measures envisaged, recognition decisions for the seven professions covered by automatic recognition under Title III, Chapter III of Directive 2005/36/EC would be expected to benefit from shorter processing timelines, with an indicative reduction from around three months to around one month for automatic recognition procedures and from around four months to around three months for procedures handled under the general system — corresponding to a gain of two months and one month respectively.[170]

The time savings analysis is segmented accordingly between the two procedural groups. Drawing on RegProf data, the seven professions covered by automatic recognition on the basis of minimum training requirements account for around 46% of total establishment

assess how many EU citizens with a professional qualification have moved to a host country but do not exercise their profession there because their qualification was not recognised, or information which would indicate how many citizens have decided not to move because of difficulties in getting their qualifications recognised (ECA Special Report 10/2024, paragraphs 37 and 105). Additional supporting evidence is provided by the Skills Portability Initiative public consultation. Among respondents who answered the question ‘How did the process or outcome of the recognition decision affect you?’ (n=66), 10 out of 66 respondents reported that the process caused delays in starting a job, while 12 out of 66 reported that they missed a job opportunity as a result of the recognition process. In addition, 17/66 reported accepting a job below their qualification level or with lower pay than expected. These findings also point to material labour market impacts associated with recognition procedures and corroborate the existence of opportunity costs linked to delayed or burdensome recognition processes. However, the public consultation question was broad and captured a range of impacts associated with the recognition process and its outcome, while the survey question used for this analysis was specifically designed to identify the share of applicants who were unable to work while awaiting a recognition decision, and therefore provides a more suitable basis for estimating the opportunity costs associated with lengthy recognition procedures. In the absence of more comprehensive administrative or survey data, the applicant survey therefore provides a credible and relevant basis for approximating the opportunity cost associated with delayed recognition. Moreover, the survey captures the experiences of individuals directly affected by recognition procedures, making it particularly valuable for assessing labour market impacts that are not currently monitored through administrative statistics. Nevertheless, the resulting impacts should be interpreted as indicative and subject to a degree of uncertainty regarding their extrapolation to the broader applicant population.

[169] Q22 of the citizens/professionals survey, exact wording: 'During the recognition procedure, was the work you carried out in line with your qualifications?' Distribution among respondents who worked during the procedure (n=25): 'Yes, it was' 72.0% (n=18); 'No, my work was below my qualification level' 20.0% (n=5); 'No, my work was above my qualification level' 8.0% (n=2). The combined share of respondents employed in roles not in line with their qualifications (below + above) is therefore 28.0% (7/25).

[170] The reduction of processing times reflects one of the main objectives of the initiative and responds, inter alia, to recommendations made by ECA. Such reductions would result from a combination of measures, ranging from clearer and more accessible information for applicants — facilitating faster submission of complete applications and earlier start of processing — to measures directly targeting the handling of applications by CAs e.g. encouraging the processing of applications within shorter deadlines where digital credentials are used, specifying deadlines for individual steps of the recognition procedure with a view to shortening overall processing times and possibly foreseeing lump-sum compensation for non-compliance, as well as establishing binding response deadlines for administrative cooperation requests between CAs. While all policy options aim to reduce waiting and processing times for recognition applications, their expected effectiveness differs depending on the binding nature of the measures and the possibilities for enforcement, which are stronger under PO3.

decisions across all regulated professions in the EU during the years 2020-2024[171]. Applied to the SCM baseline of 53 000 procedures per year, this implies approximately 24 380 procedures per year falling under automatic recognition based on minimum training requirements and approximately 28 620 falling under the other recognition regimes. The monthly monetised time savings is approximated using occupational wage proxies from the Eurostat Structure of Earnings Survey 2022, EU-27 aggregate, mean annual gross earnings, enterprises with 10 or more employees: in the order of EUR 50 000 for ISCO-08 occupational group OC2 (Professionals), used as the proxy for nurses and medical doctors in the automatic group, and an average between OC2 and OC7 Craft and related trades workers — in the order of EUR 40 000[172] — used as the proxy for engineers and electricians in the non-automatic group.[173] These figures correspond to monthly opportunity costs in the order of EUR 4 000–4 500 and EUR 3 000–3 500 respectively, consistent with OECD Health at a Glance 2023 estimates of the gross annual remuneration of hospital nurses across the largest EU MS[174]. The time savings associated with each policy option is then estimated by combining the volume of procedures in each group, the corresponding reduction in processing timelines (two months for the automatic group, one month for the general system), the monthly opportunity cost proxy, the share of applicants unable to work during the procedure (47.9%, Q21), and a realisation factor reflecting the expected degree of effective implementation under each policy option (60% under PO1, 75% under PO2, 95% under PO3), consistent with the calibration adopted elsewhere in this Section. On this basis, the estimated annual reduction in applicant-side forgone wages — that is, the monetised time savings accruing directly to recognition applicants in the form of earlier access to professional activity — is approximately EUR 80.7-

[171] Regulated Professions Database, Cumulative establishment decisions data, EU 2020-2024. The seven professions covered by automatic recognition on the basis of minimum training requirements under Articles 21-49 PQD (doctors of medicine, general care nurses, midwives, dental practitioners, pharmacists, veterinary surgeons, architects) account for 122 808 of the 264 643 total establishment decisions recorded in RegProf during the period 2020–2024, for qualifications obtained in any EU Member State and mobility to all host countries in the EEA.

[172] Eurostat Structure of Earnings Survey 2022, dataset earn_ses22_28 (Mean annual earnings by sex, age and occupation), available at https://ec.europa.eu/eurostat/databrowser/view/earn_ses22_28. Geographic aggregate EU27_2020, enterprises with 10 employees or more, sex T (Total), reference year 2022, in EUR. Eurostat Structure of Earnings Survey publishes occupational data at ISCO-08 one-digit aggregation only, in line with confidentiality rules; lower-level disaggregation (e.g., specific occupations within ISCO 22 Health professionals) is not available in the public database. The figures reported here are therefore proxy values at ISCO-08 one-digit level and are presented as indicative wage references for the relevant professional groups.

[173] The Eurostat Structure of Earnings Survey constitutes the most harmonised and representative source available for EU-wide wage comparisons. While wage levels vary significantly across Member States, the objective of the analysis was to estimate opportunity costs at EU level rather than for individual national labour markets. The use of EU-27 aggregate earnings therefore provides a reasonable central estimate of the economic value of delayed labour market participation. Moreover, as the aggregate reflects the actual distribution of employment across Member States, including the larger labour markets where a substantial share of recognised professionals are active, it can be considered an appropriate proxy for an EU-level assessment. The estimates should thus be interpreted as average EU-wide opportunity costs rather than as values applicable to each Member State individually.

[174] OECD (2023), Health at a Glance 2023: OECD Indicators, Chapter 8 (Health workforce), section 'Remuneration of nurses', Figure 8.16 (Remuneration of hospital nurses, USD PPP, 2021 or nearest year). OECD Publishing, Paris, https://doi.org/10.1787/7a7afb35-en. Reported values for the five largest EU MS: Italy 40 (USD PPP, thousands); Poland 45; France 46; Spain 54; Germany (2018) 60. OECD36 average: 52. Hospital nurses across OECD countries earn on average 20% above the average wage of all employees (Figure 8.15).

91.8 (midpoint: 86.2) million per year under PO1, EUR 100.9-114.8 (midpoint 107.8) million per year under PO2, and EUR 127.7-145.4 (midpoint 136.6) million per year under PO3.

Sensitivity of the monetised time savings

The monetised time savings for applicants constitute the largest component of the quantified benefits: EUR 1 281.7 million of the EUR 1 550.9 million estimated for the preferred option in cumulative present value over 2029–2040. They are derived from a multiplicative model with five parameters: the number of procedures in each procedural group, the reduction in processing timelines expected under each policy option, the monthly wage proxy for each group, the share of applicants unable to work during the procedure, and a realisation factor. Since the model is multiplicative, a given percentage change in any one parameter produces the same percentage change in the result. The analysis below therefore sets out the plausible range of each parameter and the range of the aggregate that follows from it.

The share of applicants unable to work during the procedure (47.9%, Q21 of the citizens/professionals survey) is estimated on a sample of 48 respondents, with a 95% confidence interval of 33.8%–62.0%. Applying the bounds of the confidence interval isolates the effect of sampling uncertainty on the aggregate.

The wage proxies drawn from the Structure of Earnings Survey (EUR 50 000 for ISCO-08 OC2 Professionals in the automatic group; EUR 40 000 as the average of OC2 and OC7 for the general group) are varied by ±20%. The variation is a deliberately conservative assumption adopted solely to test the robustness of the result. It is not derived from an observed distribution: its purpose is to establish how far the estimate moves under a plausible departure from the central wage values, which is the function a sensitivity test is intended to perform.

The expected reduction in processing timelines (two months for automatic recognition, one month for the general system) is halved, to one month and half a month. This is the most demanding of the tests, since the timeline reduction depends on how the measures are implemented and no ex-post evidence is available.

The split between the two procedural groups (around 46% of establishment decisions under the automatic system, from RegProf data, giving approximately 24 380 procedures a year against 28 620 under the general system) is varied by ±10 percentage points, allowing for a change in the composition of the procedure population over the appraisal period.

The realisation factors (60%, 75% and 95% under PO1, PO2 and PO3) are reduced by 10 percentage points, as in the test already applied to the administrative cost savings.

Results – annual monetised time savings (EUR million)

Parameter varied	PO1	PO2	PO3	Δ on PO3
Central estimate (as published)	**86.2**	**107.8**	**136.6**	**—**

Share unable to work – lower bound (33.8%)	60.8	76.0	96.3	−29.5%
Share unable to work – upper bound (62.0%)	111.6	139.6	176.9	+29.5%
Wage proxies −20%	69.0	86.2	109.3	−20.0%
Wage proxies +20%	103.4	129.4	163.9	+20.0%
Processing time gains halved	43.1	53.9	68.3	−50.0%
Automatic share 36% (−10 pp)	78.6	98.3	124.5	−8.8%
Automatic share 56% (+10 pp)	93.8	117.3	148.7	+8.8%
Realisation factors −10 pp	71.8	93.4	122.2	−10.5%
Combined pessimistic scenario	**20.3**	**26.3**	**34.5**	**−74.8%**

Δ on PO3 is the variation relative to the central estimate for the preferred option.

Results – cumulative present value 2029–2040, discounted to 2026 at 3% (EUR million)

Scenario	Monetised time savings	TOTAL benefits	Δ on total
Central estimate	**1 281.7**	**1 550.9**	—
Share unable to work – lower bound (33.8%)	903.5	1 172.8	−24.4%
Share unable to work – upper bound (62.0%)	1 659.9	1 929.2	+24.4%
Wage proxies −20%	1 025.4	1 294.7	−16.5%
Wage proxies +20%	1 538.0	1 807.3	+16.5%
Processing time gains halved	640.9	910.1	−41.3%

Automatic share 36% (−10 pp)	1 168.4	1 437.7	−7.3%
Automatic share 56% (+10 pp)	1 395.0	1 664.3	+7.3%
Realisation factors −10 pp	1 146.8	1 416.1	−8.7%
Combined pessimistic scenario	**323.4**	**592.7**	**−61.8%**

The assumed reduction in processing timelines drives most of the variation. Halving the expected time gains lowers total benefits by 41%, to EUR 910.1 million. This parameter depends on how effectively the measures are implemented and cannot be observed ex ante; it is the main source of uncertainty in the assessment.

Sampling uncertainty in the share of applicants unable to work is smaller. At the lower bound of the confidence interval, total benefits fall by 24.4%, to EUR 1 172.8 million. The estimate stays within the same order of magnitude, and PO3 remains the option with the highest benefits under every scenario tested. The size of the sample affects the precision of the figure, not the ranking of the options.

Applying the lower bound of the confidence interval, wage proxies 20% lower, halved timeline gains and realisation factors reduced by 10 percentage points at the same time gives total benefits of EUR 592.7 million against estimated costs of EUR 59.0 million for the preferred option. The combined pessimistic scenario is intentionally extreme, as it simultaneously applies conservative values to several independent parameters. It should therefore be interpreted as a lower-bound stress test rather than as a plausible central scenario. The conclusion that benefits exceed costs by a wide margin does not rest on any single assumption.

The figures are reported as indicative orders of magnitude rather than as point forecasts, and the ranges above give the interval within which the aggregate can reasonably be expected to fall.

Qualitative and non-quantifiable dimensions

Several dimensions of material significance cannot be quantified but are substantiated by primary and secondary evidence. The deterrence effect — likely reflecting professionals who do not initiate procedures due to perceived complexity — is documented in the SPI public consultation (n=785, 37% rating recognition processes as a very big problem), and consistent with Adamis-Császár et al.,[175] who find that administrative burden in professional recognition is associated with statistically significant reductions in intra-EU labour mobility. Eurostat EU-LFS (lfsa_egai2d) overqualification rates among EU mobile workers remain persistently

[175] Adamis-Császár, K. et al. (2019). Labour mobility and recognition in the regulated professions.

above those of comparable domestic workers, suggesting that recognition barriers compound skill mismatch beyond the formally registered procedure population.

The GoC Focus Group (4 March 2026) and the EU Representatives Focus Group (23 February 2026) provide qualitative confirmation that procedural complexity, documentation requirements and lack of predictability are among the dominant factors discouraging professionals from initiating or completing recognition procedures.

Per-procedure cost reductions: mechanism and calibration

The savings achievable under each policy option are estimated as percentage reductions in the baseline per-procedure burden of EUR 1 280, applied to the SCM baseline population of 53 000 procedures per year and discounted by a realisation factor reflecting expected implementation effectiveness. The gross savings ranges are calibrated on the basis of:

- Specific administrative bottlenecks documented in ECA Special Report 2024-10 — including document proliferation, deadline non-compliance, and fee opacity — and the extent to which each policy option directly addresses them;
- GoC Workshop (10 February 2026) on CA-side simplification drivers;
- Focus Group with professional associations (23 February 2026) on applicant-side friction points; and
- translation cost reduction potential from Scholz and Rohr.[176]

The savings ranges are triangulated across survey evidence, stakeholder consultations, and documented administrative bottlenecks, and should be interpreted as informed and calibrated estimates grounded in the full body of primary and secondary evidence assembled for this study.

Realisation factors reflect the expected effectiveness of the policy option, i.e. the the extent to which the intended specific objectives are achieved in practice. They are calibrated based on qualitative evidence, institutional design, and comparable impact assessments.

Under PO1, a realisation factor of 60% is applied (40% discount), informed in part by Q29 of the CA survey, which provides indicative evidence of implementation uncertainty: 42% of respondents answered 'not sure / it depends' on whether simplification benefits would materialise. Under PO2, a realisation factor of 75% is applied (25% discount), reflecting the binding but transposition-discretionary character of the measures, consistent with EU impact assessment precedents for partial harmonisation directives. Under PO3, a realisation factor of 95% is applied (5% discount), reflecting the mandatory character of the provisions, with limited scope for national discretion following transposition, and a residual 5% for transitional implementation effects. These rates are informed structural assumptions, not empirically observed; they are subjected to sensitivity testing in the relevant section of this

[176] Scholz and Rohr. (2026) How can AI translations be used for equivalence assessments?

report. Central estimates throughout this section are derived as midpoints of the reported net saving ranges — that is, (minimum + maximum) / 2 — and used consistently for aggregation across all three policy options.

IT implementation costs across policy options

IT implementation costs have been estimated in line with standard project cots management methodologies, combining multiple techniques to ensure robustness and reliability. Estimates draw on established practices, expert validation, and analogous evidence from comparable EU digitalisation projects. Techniques applied include:

Method	Description	Underpinning evidence
Bottom-up estimating	Work decomposed into discrete packages (e.g., applicant portal, IMI integration, AI tools), with cost estimates per component, then aggregated upward.	Work breakdown structure; EU project standards.
Expert judgment	Costs for IMI/SDG-OOTS integration validated by DG GRIW technical teams; auxiliary costs (e.g., testing, security) derived from standard EU project benchmarks.	Input from IMI/SDG-OOTS project leads.
Analogous estimating	Costs for EUDI wallet integration based on ESSPASS study; AI tool implementation costs estimated from scaling a previous proof of concept to full production.	ESSPASS study; reports and contracts for AI proof of concept.
Parametric estimating	Member State costs under PO2 calculated using a per-country average, multiplied by the number of MS expected to develop national solutions (see assumptions below).	Survey data on CA digital activity to estimate digital maturity.

To arrive at the cost estimates, a number of assumptions have been made. Key assumptions were:

- Functionality that is currently in planning to improve the use of IMI for workflows would be available for the implementation of the EDRS, and would be used for its implementation (evidence: DG GROW confirmation of planned enhancements).
- Existing corporate solutions are re-used where possible, e.g. EU login, chatbot implementations (in line with Commission reuse policy).
- Under policy option 2, MS can opt to implement their national solutions or to use the EU-level system. Thus, between 0 and 27 MS would bear national implementation

costs. For a realistic scenario it is assumed 11 MS with comprehensive, digitally mature recognition systems would develop independent solutions; while others would adopt the EU-level solution.[177]

- Under policy option 2 it is assumed that (i) MS organise implementation in a cost-effective way, i.e. without unnecessary duplication of systems between competent authorities, (ii) a central national verification entity to verify the EUDI attestations can be made available, to be called by the single competent authorities to verify the received EUDI attestations, (iii) one single central issuer of recognition decision will issue attestations on behalf of the different competent authorities, and (iv) all competent authorities will connect to OOTS through national proxies.

No.	Cost category	Cost element	Policy Option 1	Policy Option 2	Policy Option 3
A					
A1	Information portal	Enhanced information portal for applicants with more specific guidance on professions, procedures and required evidence	125.000 €	125.000 €	125.000 €
A2	AI Chatbot pilot	Pilot implementation of a Chatbot to help applicants find information on the procedures	175.000 €	175.000 €	175.000 €
A3	EDRS Implementation	Front-office for applicants to prepare applications; integration with IMI for submission of applications	700.000 €	700.000 €	700.000 €

[177] To determine if Member States have digitally mature recognition systems in place, the number of CAthat responded to have invested in IT systems in the last 5-10 years has been used. For the realistic scenario, Member States where at least 75% of responding CAmade such investments have been considered digitally mature (10 out of 25 = 40% of Member States). Accordingly, it is assumed in the realistic scenario that 11 Member States (40% of 27) would opt for implementing their own solution, while 16 would use the solution provided at EU level.

No.	Cost category	Cost element	Policy Option 1	Policy Option 2	Policy Option 3
A4	EDRS Implementation	Back-office module for competent authorities in IMI with workflow support for processing applications	850.000 €	850.000 €	850.000 €
A5	EDRS Implementation	Integration with EUDI trust framework to validate attestations	140.000 €	140.000 €	140.000 €
A6	EDRS Implementation	Integration with SDG-OOTS to retrieve and validate evidence	250.000 €	250.000 €	250.000 €
A7	EDRS Implementation	Issuance of recognition decision in the EUDI wallet	250.000 €	250.000 €	250.000 €
A8	EDRS Implementation	AI-based analysis of submitted documents, detection of fraud, e-Translation, and decision-support functionalities	750.000 €	750.000 €	750.000 €
A9	EDRS Implementation	Statistics collection and analytics dashboard	200.000 €	200.000 €	200.000 €
A10	EDRS Implementation	Miscellaneous: Security, testing and release, training, communication, documentation and contingency	400.000 €	400.000 €	400.000 €
A11	RegProf update	Updates supporting standardisation and interoperability	250.000 €	250.000 €	250.000 €
A12	RegProf update	Update taxonomy of professions to align with ESCO; data migration	286.000 €	286.000 €	286.000 €
A13	Communication	Communication material to support the launch of EDRS	80.000 €	80.000 €	80.000 €

No.	Cost category	Cost element	Policy Option 1	Policy Option 2	Policy Option 3
		Total EC one-off	**4.456.000 €**	**4.456.000 €**	**4.456.000 €**
B					
B1	EDRS Operations	Hosting	50.000 €	50.000 €	50.000 €
B2	EDRS Operations	Technical support	50.000 €	50.000 €	50.000 €
B3	EDRS Operations	Annual maintenance in the hypercare/stabilisation period (first 2 years): 20% of implementation costs (without communication)	875.200 €	875.200 €	875.200 €
B4	EDRS Operations	Annual maintenance from 3rd year onwards: 10% of implementation costs (without communication)	437.600 €	437.600 €	437.600 €
B5	Operations	Data audits: Regular verification of data on regulation of professions and competent authorities; and follow-up	71.500 €	71.500 €	71.500 €
B6	Governance	Meeting of a GOC subgroup on digitisation (2 in-person meetings per year)	40.000 €	40.000 €	40.000 €
		Total EC recurrent (years 1-2)	1.086.700 €	1.086.700 €	1.086.700 €
		Total EC recurrent (years 3+)	649.100 €	649.100 €	649.100 €

No.	Cost category	Cost element	Policy Option 1	Policy Option 2	Policy Option 3
C					
C1	National System Development	Adaptation of national systems to implement the recognition workflow	-	2.000.000 €	-
C2	National System Development	Integration with EU shared services (IMI, RegProf and AI tools)	-	250.000 €	-
C3	National System Development	Addition of EUDI verification features	-	140.000 €	-
C4	National System Development	Addition of EUDI issuing features	-	250.000 €	-
C5	National System Development	Integration with SDG-OOTS evidence functionalities	-	250.000 €	-
C6	AI Chatbot	Participation in AI chatbot pilot	Negligible	Negligible	Negligible
C7	Training	Training on use of EDRS system including AI support	Negligible	Negligible	Negligible
		Total cost per Member State	**-**	**2.890.000 €**	**-**
		Total cost for 27 Member States (worst case scenario)	**-**	**78.030.000 €**	**-**
		Total cost for 11 Member States (realistic scenario)	**-**	**31.790.000 €**	**-**
		Total cost for 0 Member States (best case scenario)	**-**	**0 €**	**-**

No.	Cost category	Cost element	Policy Option 1	Policy Option 2	Policy Option 3
D					
D1	**National System operations**	Annual maintenance from 3rd year onwards: 10% of initial implementation costs	**-**	289.000 €	**-**
		Total cost per Member State	**-**	**289.000 €**	**-**
		Total cost for 27 Member States (worst case scenario)	**-**	**7.803.000 €**	**-**
		Total cost for 11 Member States (realistic scenario)	**-**	**3.179.000 €**	**-**
		Total cost for 9 Member States (best case scenario)		**0 €**	

Annex 5: Competitiveness check

1. Overview of impacts on competitiveness

The table below summarises the expected impacts of the preferred policy option (PO3) across the main dimensions of EU competitiveness. Impacts are rated on a scale ranging from ++ (significant positive impact) to -- (significant negative impact), with 0 indicating no material change compared to the baseline. References to the relevant sections supporting the assessment are provided.

Dimensions of Competitiveness	**Impact of the initiative (++ / + / 0 / - / -- / n.a.)**	**References to sub-sections of the main report or annexes**
Cost and price competitiveness	++	PO3 reduces per-procedure costs by 33–47% (central: 40%), generating net savings of EUR 512.5 per procedure and EUR 27.2 million per year at system level. For businesses, the SME Panel Survey (2026, n=159) documents mean employer-borne costs of EUR 814 per hire for non-national EU qualifications; PO3 is expected to reduce these by 26–36% through mandatory digital credentials, harmonised documentation and fee caps. The SME Panel Survey (2026) documents that 68% of respondents identified reduced administrative burden during recruitment as the primary anticipated benefit of a common EU digital recognition system, and 50% identified easier hiring from other EU MS as a direct benefit. Reduced per-procedure costs lower the effective price of cross-border labour inputs in regulated professions.
International competitiveness	+	The initiative operates within the intra-EU framework of Directive 2005/36/EC and does not directly regulate EU competitiveness vis-à-vis non-EU firms. Indirect positive effects are expected: more efficient allocation of qualified professionals within the EU reduces skills mismatches and vacancy durations in regulated sectors where EU firms also compete internationally (healthcare, engineering, ICT). The Draghi Report (2024) identifies barriers to skilled labour mobility as a structural weakness of EU competitiveness relative to global competitors.

Dimensions of Competitiveness	Impact of the initiative (++ / + / 0 / - / -- / n.a.)	References to sub-sections of the main report or annexes
Capacity to innovate	+	PO3 introduces mandatory digital-by-default infrastructure — digital credentials, AI-assisted workflows, harmonised EU platform — strengthening public administration capacity. Improved access to qualified professionals in engineering, ICT and STEM-adjacent regulated professions supports firms' innovation capacity. Reduced brain waste from faster recognition of mobile qualified professionals releases productive capacity for innovation-driven sectors. Consistent with the EU's digital transition objectives.
SME competitiveness	++	SMEs bear recognition barriers disproportionately due to limited HR capacity and lower ability to absorb costs. The SME Panel Survey (2026)[178] documents that 50% of respondents identified easier hiring from other EU countries as a direct benefit of a common EU digital recognition system, with 61% citing faster recruitment processes and 68% citing reduced administrative burden during recruitment. BusinessEurope (2024) and SMEUnited (2024) confirm that recognition barriers are systematically more burdensome for SMEs and micro-enterprises, which lack the dedicated HR capacity available to larger firms. PO3's mandatory digital credentials and harmonised procedures remove the administrative complexity that disproportionately burdens SMEs; fee harmonisation eliminates the cost unpredictability that larger firms better absorb.

[178] As part of the assessment of impacts of the SPI, the Commission launched an SME Panel consultation. Conducted through the EU Survey portal, the survey gathered responses from 159 SMEs across 18 EU and third countries. Respondents shared their experiences with cross-border recruitment, challenges they face in verifying and recognising EU/non-national and third-country/foreign qualifications, and their views on potential digital solutions to streamline cross-border mobility.

2. Synthetic assessment

The synthetic assessment below summarises the overall competitiveness impact of the preferred policy option and its comparison with the alternative options.Among the three policy options assessed, PO3 generates the most significant positive contribution to EU competitiveness. This assessment is consistent with the multi-criteria assessment in this report.

On **cost and price competitiveness**, PO3 produces the largest absolute reduction in per-procedure administrative costs — central net saving of EUR 512.5 per procedure and EUR 27.2 million per year — substantially exceeding PO1 (EUR 81.5/procedure; EUR 4.3 million/year) and PO2 (EUR 243/procedure; EUR 12.9 million/year). The 95% realisation factor applied to PO3 reflects the mandatory and comprehensive character of its provisions, which distinguishes it structurally from the non-binding approach of PO1 and the partially binding approach of PO2. For businesses in regulated sectors relying on cross-border recruitment, this translates directly into lower labour input costs and more efficient access to qualified professionals. The net total system burden reduction under PO3 — approximately 26–39% of the EUR 67.8 million annual baseline — is positioned above the 25% indicative simplification reference point, while the corresponding reductions under PO1 (~1–3%) and PO2 (~10–14%) deliver progressively smaller improvements relative to the baseline.

On **SME competitiveness**, PO3 addresses the asymmetric burden that current recognition procedures place on smaller firms. The mandatory digital-by-default infrastructure eliminates precisely those administrative steps — paper documentation, manual verification, opaque fee structures — that are most costly relative to firm size. The SME Panel Survey (2026) confirms that SMEs anticipate average savings of 26–36% per cost category from a common EU digital recognition system, with the largest savings on internal administrative time (36%) and recruitment-related costs (34%).

On **international competitiveness and capacity to innovate**, PO3's effects are indirect but consistent in direction. Improved intra-EU professional mobility supports the EU's ability to address structural skills shortages in globally competitive sectors, reduces brain waste, and strengthens the digital infrastructure of public administrations. PO1 and PO2 generate positive competitiveness effects relative to the baseline, but of materially lower magnitude. PO2 reaches approximately 15–22% per-procedure savings and a 10–14% total burden reduction — a material improvement, but insufficient to reach the simplification threshold or to address the structural digitisation deficit that is most damaging to EU competitiveness.

3. Competitive position of the most affected sectors

The table below presents the current competitive position and the expected impact of PO3 for the five sectors most significantly affected by recognition barriers—healthcare and social services, construction and craft trades, manufacturing and engineering, education, and professional and scientific services. This selection is based on evidence consulted in the study supporting this impact assessment (BusinessEurope (2024), SMEUnited (2024), the SME Panel Survey (2026), the European Labour Authority (2024) and ECA Special Report 2024-10).

Sector	Current competitive position and key challenges	Expected impact of PO3 on competitive position
Healthcare and social services	The most acutely affected sector. The European Labour Authority (2024) documents shortages of specialist medical practitioners in 75% of EU countries, generalist practitioners in 64%, and nurses in 78%. Healthcare organisations face severe competitive constraints in cross-border recruitment for regulated health professions (ISCO-08: groups 22–226). Lengthy and variable recognition procedures deter qualified health professionals from pursuing recognition, exacerbating shortages particularly in regions experiencing medical desertification.	PO3's binding procedural timelines, mandatory digital workflow and limitations on documentation requests are expected to materially reduce vacancy durations for regulated health professionals. Faster recognition improves healthcare system staffing capacity and reduces the competitive disadvantage of regions with high regulatory burden.
Construction and craft trades	SMEUnited (2024) identifies construction as a sector significantly affected by labour shortages across the EU. Recognition procedures for craft professions are particularly burdensome: qualification requirements vary widely for safety-critical professions, generating costly and time-consuming recognition procedures. The sector is dominated by SMEs and micro-enterprises with limited administrative capacity.	PO3's mandatory digital credentials and limitations on additional verification requests directly address the documentation complexity that burdens craft profession recognition. Mandatory fee harmonisation removes cost unpredictability for small employers supporting worker recognition. The digital-by-default approach reduces the asymmetric administrative burden that disproportionately affects SMEs in this sector. SMEUnited explicitly identifies a unified, digitalised EU recognition system as the primary structural improvement needed.

Sector	Current competitive position and key challenges	Expected impact of PO3 on competitive position
Manufacturing, engineering and technical professions	BusinessEurope (2024) identifies manufacturing as a sector with broad skills shortage across MS. The SME Panel Survey (2026) confirms manufacturing as the most represented sector among respondents (36 out of 159); 25 out of 63 respondents who had hired from abroad encountered difficulties verifying the authenticity of qualifications from other EU countries (SME Panel Survey, 2026, §6.2: n=63), reflecting the practical obstacle that fragmented national frameworks create for employer-side qualification assessment.	Where regulated, PO3's comprehensive simplification measures reduce the cost and duration of recognition, improving cross-border labour supply. Where unregulated, improved information transparency under PO3 — harmonised content requirements, RegProf real-time update — supports employers' ability to assess foreign qualifications more reliably. BusinessEurope identifies digital recognition procedures and fast-track options as the primary EU-level measures to address manufacturing skills shortages.
Education	Teaching is a regulated profession in most MS. The SME Panel Survey records education as the fourth most represented sector (8% of respondents). Cross-border recognition of teaching qualifications is characterised by lengthy procedures and wide variation in documentation requirements, limiting mobility of qualified teachers at a time of growing shortages, particularly in STEM subjects.	PO3's binding procedural deadlines, harmonised documentation requirements and mandatory digital workflow are expected to reduce procedure duration for teaching qualifications, which currently face some of the most variable timelines across MS. The SME Panel Survey documents a median of 30 days for non-national EU qualifications but with 24% of employer respondents reporting durations of 6–12 months. Improved predictability supports cross-border deployment of teachers and contributes to addressing STEM shortages.

Sector	Current competitive position and key challenges	Expected impact of PO3 on competitive position
Professional, scientific and technical services	The second most represented sector in the SME Panel Survey (10% of respondents). BusinessEurope notes that complex and slow recognition procedures — under both the establishment regime and temporary service provision— constitute a significant obstacle to cross-border service provision, reducing firms' ability to staff cross-border mandates and compete for EU-wide contracts.	PO3's information harmonisation, procedural standardisation and mandatory digital workflow directly address the fragmentation and opacity of recognition procedures in professional services. Real-time RegProf update ensures accurate, current information on qualification requirements across all MS — a key barrier identified by BusinessEurope as driving uncertainty and costs in cross-border professional service provision.

ANNEX 6: SME CHECK

OVERVIEW OF IMPACTS ON SMES

Relevance for SMEs

(Based on SME filter and the ISG discussion, this initiative is relevant/highly relevant for SMEs[179])

Based on the SME filter applied during the scoping of this impact assessment, the initiative is relevant for SMEs. SMEs are present across the sectors most affected by recognition barriers under Directive 2005/36/EC — in particular construction and craft trades, professional and scientific services, healthcare (private providers), education (private institutions) and manufacturing. They are affected as employers whose cross-border recruitment decisions are constrained by recognition procedures, and as firms whose owner-operators or key staff hold regulated qualifications requiring recognition in another Member State.

(1) IDENTIFICATION OF AFFECTED BUSINESSES AND ASSESSMENT OF RELEVANCE

Are SMEs directly affected? *(Yes/No)* **In which sectors?**

(Specify sectors, see also Competitiveness check (Annex 5))

Yes. SMEs are directly affected in two ways: as employers in sectors with regulated professions relying on the recognition system when recruiting mobile professionals; and as professional service operators whose owner-operators hold regulated qualifications requiring recognition when establishing in another Member State. The SME Panel Survey (2026, n=159) documents that 81 out of 159 respondent firms had hired or attempted to hire from abroad in the previous five years. Of those, 12 encountered difficulties specifically when recruiting from other EU countries (SME Panel Survey 2026, §4.1). Key affected sectors include construction and craft trades; professional, scientific and technical services; healthcare (private providers); education (private institutions); and manufacturing and engineering. The SME Panel Survey sample is distributed across sectors as follows: 36 respondents in manufacturing, 16 respondents in professional, scientific and technical services, 13 respondents in other service activities, and 12 respondents in education, with additional representation from accommodation and food services, ICT, and wholesale and retail sectors (10 respondents each). These figures reflect the composition of the survey sample and provide indicative coverage across sectors rather than a direct measure of impact intensity.

Source: SME Panel Survey (2026, n=159, §2.3 and §4.1); SMEUnited (2024); BusinessEurope (2024); RegProf database (April 2026).

Estimated number of directly affected SMEs

(Provide number of SMEs within the scope – include size subcategories for highly relevant

179 https://ec.europa.eu/docsroom/documents/63274

initiatives)

The EU has approximately 26.1 million SMEs (Annual Report on European SMEs 2024/2025, European Commission/JRC). Applying the Flash Eurobarometer 537 figures — 6–7% of SMEs encountered difficulties having the professional qualifications of candidates recognised when recruiting from other EU countries — yields a proxy estimate of approximately 1.6–1.8 million SMEs directly affected as employers. Of these, 4–5% indicated they had refrained from hiring from other EU countries due to recognition barriers, corresponding to approximately 1.0–1.3 million SMEs. Volume of recognition procedures: approximately 53,000 procedures per year are processed across the EU recognition system in the medium term, including establishment decisions, declarations for temporary and occasional service provision, and additional procedural cases tracked through IMI. The sectors most represented — healthcare, construction, education, professional services — are dominated by SMEs and micro-enterprises. In construction and professional services, SMEs represent the large majority of firms. SMEUnited (2024) estimates that more than 500 regulated professions exist within the craft sector alone across EU MS.

Source: Annual Report on European SMEs 2024/2025 (European Commission/JRC); Flash Eurobarometer 537; SMEUnited (2024); RegProf database (April 2026).

Estimated number of employees in directly affected SMEs

(Provide estimated number)

A precise count is not available. Eurostat Structural Business Statistics (dataset sbs_sc_ovw, 2023) document approximately 12.1 million persons employed in SMEs in construction and approximately 15.4 million in manufacturing — two large SME-intensive sectors affected by skills shortages and recognition-related barriers. The European Labour Authority (2024) documents shortages of specialist medical practitioners in 75% of EU countries, generalist practitioners in 64%, and nurses in 78%, indicating that a substantial number of positions in these professions — many within SME-scale organisations — are affected by the current recognition framework.

Source: Eurostat SBS (sbs_sc_ovw, 2023); European Labour Authority (2024).

Are SMEs indirectly affected? *(Yes/No)* **In which sectors? What is the estimated number of indirectly affected SMEs and employees?**

(Specify sectors, see also Competitiveness check (Annex 5); provide number of SMEs or estimated min/max % of affected SMEs, where possible by size subgroup, and estimated number of employees.)

Yes. SMEs in sectors with acute skills shortages are indirectly affected through extended vacancy periods that are disproportionately costly for smaller firms. The SME Panel Survey (2026) documents that the median process duration for non-national EU qualifications is 30 days (mean: 37 days), but 24% of respondents reported durations of 6–12 months — a timeframe structurally more disruptive for SMEs than for large firms. Sectors most affected: construction and craft trades, healthcare, manufacturing. An aggregate estimate of indirectly affected SMEs is not available from primary data.

Source: SME Panel Survey (2026, n=159); SMEUnited (2024); European Labour Authority (2024).

(2) CONSULTATION OF SME STAKEHOLDERS
How has the input from the SME community been taken into consideration?
(Explain how) SME stakeholders were consulted through: SME Panel Survey (Ecorys/DG EMPL/DG GROW, 2026, n=159): 47 micro-enterprises, 50 small, 36 medium, 17 large, 9 self-employed; BusinessEurope (2024): qualitative input from member federations on the industrial and manufacturing sector; SMEUnited (2024): comprehensive input from the European association of crafts, trades and SMEs; SPI Public Consultation (n=785); GoC Focus Group (4 March 2026). The input has been systematically integrated into the assessment of costs, benefits and mitigating measures in this Annex and in Chapter 8 of the Final Report. *Source: SME Panel Survey (2026); BusinessEurope (2024); SMEUnited (2024); SPI Public Consultation (n=785); GoC Focus Group (4 March 2026).*
Are SMEs' views different from those of large businesses? *(Yes/No)*
(Explain how. For highly relevant initiatives, include size categories and key takeaways from targeted consultation) Yes, in structurally important ways. Large businesses can absorb recognition costs through dedicated HR departments, whereas SMEs cannot. SMEUnited (2024): "structural deficiencies of SMEs multiply when it comes to a search for qualified personnel on national or European level." SMEs are disproportionately forced to rely on external consultancy (mean EUR 545/procedure) or forgo cross-border recruitment entirely. SMEs place greater weight on binding procedural deadlines and free digital tools; large businesses prioritise credential portability for senior mobile professionals. *Source: SME Panel Survey (2026); BusinessEurope (2024); SMEUnited (2024).*

(3) ASSESSMENT OF IMPACTS ON SMEs[180]
What are the estimated direct costs for SMEs of the preferred policy option*?* <u>(Fill in only if step 1</u> *flags direct impacts)*
Qualitative assessment

[180] The costs and benefits data in this annex are consistent with the data in annex 3. The preferred option includes the mitigating measures listed in section 4.

(Summarise) Recognition procedures impose costs that are qualitatively distinct for SMEs: opacity and unpredictability of fees and timelines; fixed administrative burden (certified translations, notarisation) disproportionate to SME capacity; and dependence on external expertise that larger firms internalise. BusinessEurope (2024) identifies complexity of bureaucratic procedures and lack of digital processes as primary barriers. SMEUnited (2024) notes high reallocation costs that smaller firms cannot easily absorb.
Quantitative assessment
(Provide numbers. Include size categories for highly relevant initiatives) PO3 does not impose significant new direct compliance costs on SMEs; the figures below describe the baseline employer-side costs that the preferred option is expected to reduce. SME Panel Survey (2026, §9.2) — mean costs per hire for non-national EU qualifications: Fees for recognition bodies: EUR 407 (median EUR 225); Translation and certification: EUR 265 (median EUR 175); Bridging or training costs: EUR 526 (median EUR 500); External consultancy or legal support: EUR 545 (median EUR 250); Internal administrative time: EUR 354 (median EUR 225); Delayed start dates and reduced productivity: EUR 934 (median EUR 250); Total external cost per hire: EUR 814 (mean). For comparison: national qualifications EUR 657; third-country qualifications EUR 2,875. Duration: 30 reported 1–3 months; 16 reported 6–12 months; only 4 under one month. *Source: SME Panel Survey (2026, §9.1–9.2).*
What are the estimated direct benefits/cost savings for SMEs of the preferred policy option[181]?
Qualitative assessment
(Summarise) Under PO3, SMEs benefit from: binding procedural deadlines eliminating open-ended vacancy periods; mandatory fee harmonisation removing cost unpredictability; digital-by-default infrastructure eliminating paper documentation; real-time qualification information reducing reliance on external consultancy. BusinessEurope (2024) and SMEUnited (2024) explicitly identify end-to-end digitalisation and a unified EU recognition system as the primary structural improvements needed.
Quantitative assessment
(*Provide numbers)* SME Panel Survey (§10.1) — anticipated mean savings from a common EU digital recognition system: Internal administrative time: 36%; Translation and certification: 35%; Recruitment-related costs: 34%; External consultancy or legal support: 30%; Bridging or

[181] The direct benefits for SMEs can also be cost savings.

training costs: 30%; Onboarding delays and reduced productivity: 28%; Fees for recognition bodies: 26%; Mean across all categories: ~31%; Perceived benefits: 108 out of 159 cited reduced administrative burden; 100 cited easier assessment of foreign qualifications; 97 faster recruitment; 80 easier hiring from other EU Member States. At system level: EUR 512.5 net saving per procedure (range EUR 417–608); EUR 27.2 million/year aggregate saving. *Source: SME Panel Survey (2026, §10–10.1)*
What are the indirect impacts of this initiative on SMEs? *(Fill in only if step 1 flags indirect impacts)* Three categories: (1) Reduced vacancy duration — binding deadlines eliminate the 6–12 month tail generating the EUR 934 mean delayed-productivity cost; (2) Improved cross-border service capacity — faster recognition reduces risk of deploying staff in other MS for SMEs bidding on cross-border contracts; (3) Reduced information asymmetry — harmonised RegProf reduces reliance on external consultancy (mean EUR 545/procedure). Source: SME Panel Survey (2026, §9.1–10.1); BusinessEurope (2024); SMEUnited (2024)
(Summarise the significant indirect impacts qualitatively and, where possible, quantitatively)

(4) MINIMISING NEGATIVE IMPACTS ON SMEs
Are SMEs disproportionately affected compared to large companies? (*Yes/No)* **If yes, are there any specific subgroups of SMEs more exposed than others?**
Yes. SMEs lack dedicated HR departments, have lower financial capacity to absorb costs and delays, and their dependence on individual professionals with regulated qualifications means recognition bottlenecks directly constrain operations. Most exposed: micro-enterprises and sole traders in craft trades, healthcare (private practice) and legal/professional services — for whom a single blocked procedure can prevent business establishment altogether. SMEUnited (2024): "structural deficiencies of SMEs multiply when it comes to a search for qualified personnel on national or European level."
Have mitigating measures been included in the preferred option/proposal? (Yes/No)
(Specify the mitigating measures, including SME-friendly provisions (e.g. phasing ins, guidance, etc.). Describe the expected benefits/cost savings qualitatively and, where possible, quantitatively) Yes. PO3 incorporates: Mandatory fee harmonisation — binding ceilings eliminating cost unpredictability; binding procedural deadlines with enforcement — reducing the number of procedures lasting between 6 and 12 months; Mandatory digital-by-default infrastructure — eliminating paper documentation that is most costly relative to firm size; Harmonised information requirements — reducing information asymmetry driving SME reliance on external consultancy (mean EUR 545); Limitations on documentation and verification requests — reducing per-procedure burden disproportionately affecting SMEs.

Source: SMEUnited (2024); BusinessEurope (2024); SME Panel Survey (2026)

CONTRIBUTION TO THE 35% BURDEN REDUCTION TARGET FOR SMES
Are there any administrative cost savings relevant for the 35% burden reduction target for SMEs?
(Provide number from Annex 3) Yes. System-level burden reduction under PO3: 26–39% of the EUR 67.8 million annual baseline (central estimate: 32.6%), as documented in Section 7.2. The central estimate is positioned above the 25% indicative simplification reference point and approaches the 35% level used as a reference for SME-relevant burden reduction. SME-specific anticipated savings (SME Panel Survey, §10.1 of the Summary Report): 26–36% per cost category. The highest savings — internal administrative time (36%), translation and certification (35%), recruitment-related costs (34%) — are those where the asymmetric SME burden is most pronounced. SME-specific realisation is expected to be at or above the system average. PO1 (~1–3%) and PO2 (~10–14%) deliver progressively smaller but still material improvements relative to the baseline, reflecting the limited reach of soft coordination and the intermediate nature of targeted procedural reforms respectively.

ANNEX 7: THE PQD AND THE REST OF THE SINGLE MARKET ACQUIS

The PQD applies to EU citizens who have obtained their professional qualifications in one MS (the home MS) and wish to practise a regulated profession in another MS (the host MS). It plays a crucial role in supporting the effective functioning of the Single Market by giving practical effect to the fundamental freedoms of movement of workers, establishment, and the provision of services (Articles 45, 49, and 56 of the Treaty on the Functioning of the European Union - TFEU).

Broadly speaking, the Directive provides for **three main recognition systems:**

Under the **general system of recognition**, an applicant seeking to establish themselves in another MS must provide a number of documents including evidence of nationality, professional qualifications, and relevant experience, if applicable. The CA in the host MS then compares the applicant’s qualifications that give them access to a given profession in the home MS with the national requirements for access to the same profession in the host state, on a case-by-case basis. If they are deemed equivalent, recognition is granted, allowing the applicant to practise. If substantial differences exist that cannot be compensated by professional experience and/or lifelong learning, the authority may require an aptitude test or adaptation period to bridge the gap. Once completed successfully, the applicant obtains recognition and may legally exercise the profession in the host MS.

Recognition based on professional experience pertains mainly to craft, trade, and industrial professions where EU-level minimum harmonised training requirements do not exist. More specifically, this recognition system applies to the professional activities listed in Annex IV of the Directive (e.g. painters, bricklayers, carpenters, catering managers, etc.). Under this system, a professional who has gained sufficient and verified experience in a regulated profession in one MS can have their qualifications automatically recognised in another MS, without undergoing further assessment. The applicant must provide evidence - such as certificates or attestations from CA - showing that they have lawfully and effectively pursued the profession for a prescribed period (usually between two and six years, depending on the profession, employment status and level of training). The host MS must then recognise the applicant’s right to practise the same or comparable activity. This procedure simplifies mobility for experienced professionals while maintaining safeguards for service quality and public protection.

Under **automatic recognition based on minimum training requirements**, which applies to seven professions—mainly in the health sector—professionals apply to the host MS, but authorities do not verify the content or duration of training. Qualifications listed in Annex V of the PQD are deemed to meet minimum training standards and are automatically recognised across the EU.

In addition, professionals who are legally established in one MS and wish to provide **services on a temporary and occasional basis** in another MS may generally do so without undergoing a formal recognition procedure, although a prior declaration may be required in certain cases

As an instrument enabling qualified professionals to establish themselves or to provide services on a temporary and occasional basis in another MS, the PQD is closely linked to, and operates in complementarity with, the **Services Directive (2006/123/EC)**, which lays down general provisions facilitating the free movement of services across MS. However, as regards regulated professions, pursuant to Article 3(1)(d) of the Services Directive, where its provisions conflict with those of the PQD, the PQD prevails.

This is expected to remain unaffected by the possible adoption of future **sector-specific instruments in the field of services**, such as the envisaged Construction Services Act or comparable initiatives targeting particular economic sectors. While such instruments may introduce additional or more tailored rules governing the provision of services, they would not displace the PQD in matters relating to access to and the exercise of regulated professions. In this respect, the PQD retains its role as the central legal framework governing the recognition of professional qualifications.

At the same time, the PQD does not constitute the sole legal instrument governing regulated professions at Union level. It establishes a horizontal system for the recognition of professional qualifications applicable across a wide range of professions, which is sometimes complemented by **sector-specific instruments reflecting the particular characteristics and regulatory needs of certain professions**. For example, in the case of lawyers, Directive 98/5/EC facilitates the permanent establishment of lawyers in another MS under their home-country professional title, while Directive 77/249/EEC governs the provision of legal services on a temporary basis.

Finally, it is important to **distinguish clearly between professional recognition, which falls within the scope of the PQD, and academic recognition**. The PQD governs the recognition of professional qualifications for the purpose of granting access to and enabling the pursuit of a regulated profession in a host MS. By contrast, academic recognition concerns the recognition of diplomas and periods of study for the purpose of accessing further education or training. In this context, initiatives under the European Research Area, including the forthcoming European Research Area Act, aim to facilitate the mobility of researchers and the circulation of knowledge and skills, with a focus on academic and research pathways. These instruments pursue objectives distinct from, yet complementary to, those of the PQD, which will continue to provide the legal framework governing access to regulated professions and supporting the cross-border mobility of professionals within the Union.

Which professions are regulated?

A profession is considered as ‘regulated’, if law requires people to have a specific qualification to access and/or pursue the profession.

There are two types of regulated professions ([182]):

a) 7 key professions that are regulated in all MS, and where Directive 2005/36/EC requires MS to apply harmonised minimum training requirements: doctors, nurses, midwives, dentists, pharmacists, veterinarians and architects. These are regulated in all MS.
b) More than 5.000 professions that MS decided to regulate on national level, usually for reasons of public health, safety or protection of the service recipient. These are often regulated in a subset of MS. MS must respect the limits of proportionality when regulating professions. (cf. Proportionality Test Directive)

Examples of professions with different degree of regulation

Nurses – A profession with harmonised minimum training requirements. Regulated in all MS. Falls under the “automatic recognition system”, i.e. the qualification gives the right to obtain recognition in other MS (no “case-by-case” assessment).

Engineers – Some degree of regulation, but not all types of engineers are regulated, and not in all MS. E.g. civil engineers are regulated in 15 MS, electrical engineers in 6 MS and industrial engineers in 4 MS.

Plumbers – Like many other professions in crafts and construction, plumbers are regulated in a subset of MS (in this case 9).

Cooks – An example for a profession that is unregulated in most MS, but 2 MS do regulate.

AI engineers – A relatively new profession. Like almost all professions in ICT this is unregulated in all MS. However, if a higher impact on health and safety is observed, this might change, and countries might want to regulate it in future.

The RegProf database provides an overview of regulated professions in the MS.

Regulation as a barrier in the Single Market

While it can be justified in view of overriding reasons of public interest, regulation of professions creates barriers to entry. Moreover, when regulations diverge between MS, this makes it more difficult for people to move between professions.

[182] To note that some EU acquis, for example in the area of transport and energy, also requires or encourages MS to regulate certain activities/professions. This can take the form of minimum as well as full harmonisation and some of these instruments also contain specific provisions on recognition across MS.

EU nationals that want to work in a regulated profession in another MS than the one where they obtained their qualification need to demonstrate that they are qualified for that profession, i.e. they need to obtain recognition from the CA in the host MS. Thus, recognition is necessary whenever an EU national moves to the MS (to establish there) where a profession is regulated, no matter if it is regulated in their home country, or not.

Directive 2005/36/EC regulates the procedures to be applied by the MS for the recognition of professional qualifications. There are different regimes applicable to different sets of professions (e.g. automatic recognition based on minimum training requirements, automatic recognition based on professional experience, general system of recognition, common training test, common training framework).

Service providers that temporarily and occasionally want to provide services in another MS in a profession regulated in that country, can be required to submit a prior declaration (but not – to request recognition). Only in exceptional cases they may be subject to prior checks.

Overview of regulated professions in the EU

- Regulated professions can be found across all sectors (e.g. healthcare, education, construction, manufacturing, business services, tourism, …).
- Regulated professions are not equal in size, i.e. they cannot be directly compared. There are for example 3.7 million nurses working in the EU, 2 million doctors and 611.000 physiotherapists. On the other hand, some regulated professions are niches in the labour market and cover only few thousand professionals (e.g. orthoptists, airport firefighters or mining supervisors)
- There is a very high degree of overlap between regulated professions and shortage professions. Most of the shortage professions are regulated in some MS, and most of the regulated professions are in high demand.

Overview by groups of sectors

Health & care	Education
70% of establishment cases **12% of temporary service provision**	**12% of establishment cases** **<1% of temporary service provision**
Key professions (with ranking based on recognition cases) — Nurses (1st) — Doctors of medicine (2nd) — Nursing assistants (4th) — Child care workers (5th) — Dentists (6th) — Physiotherapists (8th) — Psychologists (14th) — Pharmacists (15th) — Midwives (19th) — Occupational therapist (20th)	Key professions (with ranking based on recognition cases) — Secondary school teachers (3rd) — Primary school teachers (10th) — Kindergarten teachers (13th) — Special needs teachers (40th)
Skills gaps 4 out of the top-10 shortage professions ([183]) are in healthcare (nurses, medical specialists, nursing assistants, physiotherapists). Others (generalist doctors, pharmacists, dentists) feature in the longer list of shortage professions. WHO expects a shortage of 4.1 million healthcare workers in the EU by 2030.	**Skills gaps** Several MS are reporting shortages of teachers, however, the sector does not feature prominently among the top shortage professions.

Transport & machinery	Construction & trades
6% of establishment cases **2% of temporary service provision**	**5% of establishment cases** **13% of temporary service provision**

[183] Top shortage professions listed in the EURES Report on labour shortages and surpluses 2024, i.e. professions most frequently reported by MS as shortage professions.

Transport & machinery

Key professions

(with ranking based on recognition cases)

- Forklift truck operators (7th)
- Machinery operators (17th)
- Road haulier (26th)
- Driving instructor (36th)

Car, taxi & van

- drivers (39th)

Skills gaps

2 out of the top-10 shortage professions are in transport & machinery (heavy truck and lorry drivers; sheet metal workers).

Others (metal working machine operators, bus and tram drivers, earthmoving plant operators) feature in the longer list of shortage professions.

Construction & trades

Key professions

(with ranking based on recognition cases)

- Electricians (11th; ranking 4th for temporary service provision)
- Crane operators (12th)
- Bricklayer (56th)
- Painter / decorator (58th)
- Joiner / carpenter (59th)
- Glazier (63rd)
- Plumber (65th)
- Building insulator (69th)
- Plasterer (72nd)
- Tiler (73rd)

Skills gaps

3 out of the top-10 shortage professions are in construction & trade (welders, electricians, plumbers).

There are many others (e.g. painters, concrete placers, insulation workers, carpenters) that feature in the longer list of shortage professions.

Technical & engineering	Tourism & personal services
4% of establishment cases **10% of temporary service provision**	**1% of establishment cases** **53% of temporary service provision**
Key professions (with ranking based on recognition cases) — Architects (16th; ranking 6th for temporary service provision) — Engineers (18th) — Electricity services supervisors / Electrical managers (28th) — Electricity equipment inspectors (38th) — Civil engineers (41st) — Electrical equipment installers (44th) — Mobile offshore unit related professions (51st) — Industrial engineers (61st)	Key professions (with ranking based on recognition cases) — Tourist guide (24th; ranking 3rd for temporary service provision) — Aesthetician (42nd) — Hairdresser (50th) — Restaurant Manager (57th) — Ski instructor (71st; ranking 1st for temporary service provision) — Tour manager (81st) — Cook (90th) — Canyon guide (n/a; ranking 2nd for temporary service provision)
Skills gaps No professions among the top-10 shortage professions. However, several technical and engineering professions appear in the longer list of shortage professions, e.g. industrial engineers, electrical engineers, and civil engineers.	**Skills gaps** 2 out of the top-10 shortage professions are tourism and personal services related (cooks and butchers). Others (chefs, waiters, fast food preparers) feature in the longer list of shortage professions.

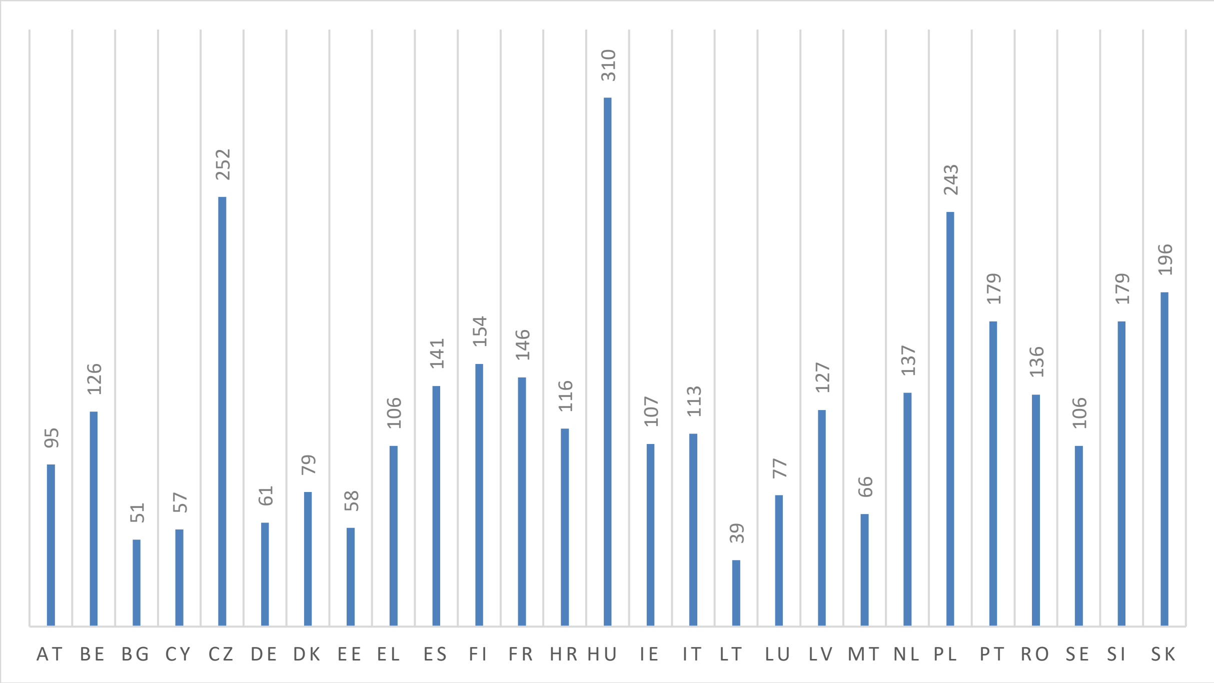
Business services		Others
1% of establishment cases **7% of temporary service provision**		**1% of establishment cases** **3% of temporary service provision**
Key professions (with ranking based on recognition cases) — Lawyers (29th) — Translators / interpreters (46th) — Accountants (49th; ranking 5th for temporary service provision) — Real estate agents (55th; ranking 8th for temporary service provision)		Key professions (with ranking based on recognition cases) — Security guards (25th) — Conservators / restorers (67th) — Divers (76th) — Journalists (83rd)
Skills gaps Business services do not appear among the lists of shortage professions.		**Skills gaps** Among the other professions, journalists appear in the list of surplus professions.

Divergences between Member States

With the exception of the seven professions for which the PQD establishes minimum training requirements, regulation of professions falls entirely within the competence of the MS. The latter decide which professions are regulated, what qualifications are required, and which authorities oversee access to and the exercise of the professions in question.

As illustrated in the graph below, the number of regulated professions differs significantly across MS.[184]

[184] Cf. SWD(2026)64

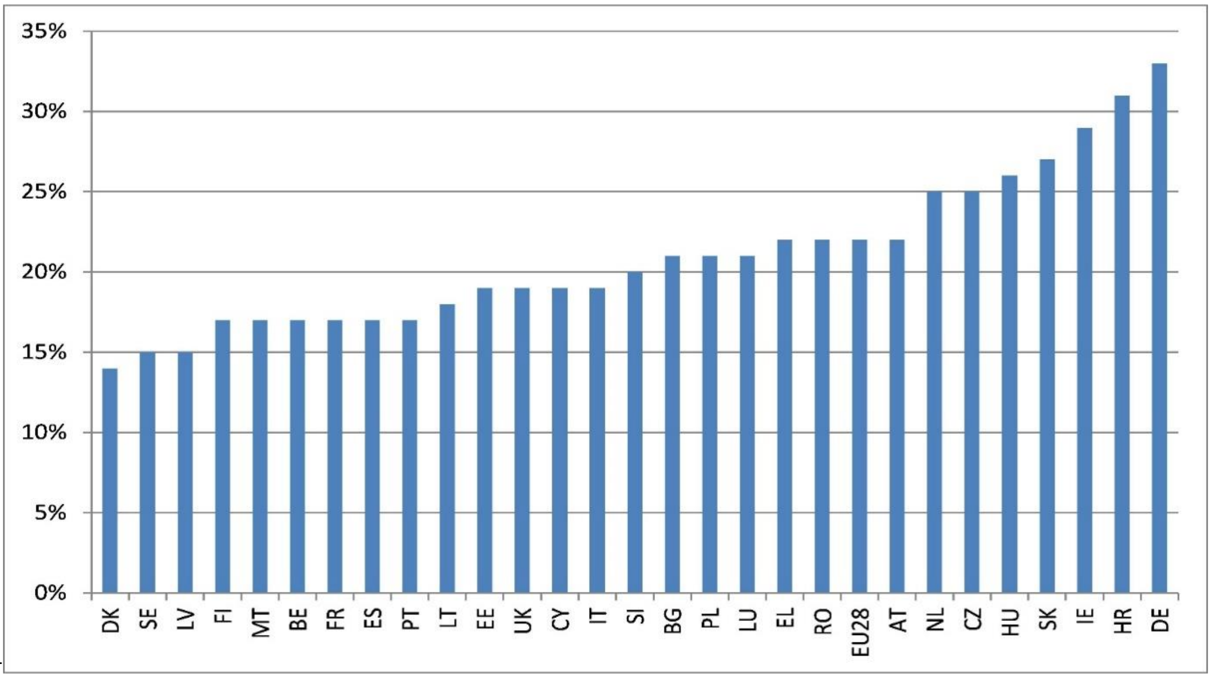


Number of regulated professions under the general system per Member State based on information in the Regulated Professions Database.

As emphasised in the Staff Working Document accompanying the Report from the Commission on the implementation of Directive 2005/36/EC on the recognition of professional qualifications, these numbers should be appropriately contextualised and interpreted with caution as some Member States may regulate a bundle of professional activities as one profession, while other may regulate each of these activities separately. Moreover, a Member State might regulate fewer professions but impose stringent requirements and detailed conditions on each, whereas another might regulate a larger number but with less stringent criteria. Understanding the specific regulatory environment of any given Member State, therefore, involves examining not only the number of professions regulated but also the depth, restrictiveness, and underlying factors driving these regulations.

While on average approximately 22% of those employed in the EU work in a regulated profession,[185] the share of professionals employed in regulated professions varies considerably across MS as emphasised by the graph below:

[185] COM (2016) 820 final.



Share of regulated professions in total labour force, 2015[186]

Data from the RegProf for 2020–2024 also shows that MS are not equally involved in the recognition of professional qualifications. While for example Romania (15.8%), Spain (12.0%), Belgium (9.2%), Germany (8.2%) and France (7.6%) account for the largest shares of professionals seeking recognition in another MS, Cyprus, Estonia, Luxembourg and Ireland account for only between 0.04% and 0.4% of professionals seeking recognition in another MS.

Conversely, Germany (17.6%), Italy (14.7%), France (12.2%), Belgium (11.5%) and Luxembourg (7.8%) receive the largest shares of applications, while for example Bulgaria, Estonia, Luxembourg and Ireland only receive between 0.04% and 0.2%.

[186] COM(2016) 820 final. On regulated professions relative to population size across MS ff. also Mårten Blix – Almega (2023), Wither on the vine? The unfulfilled EU Single Market for Services. Germany, Italy, France and Spain record the lowest ratios, while Luxembourg, Malta, Slovenia and Cyprus are among the MS with the highest numbers relative to their population.

The expansion of automatic recognition is covered by the present impact assessment in the baseline. This is because such expansion would be implemented through delegated acts adopted on the basis of an existing empowerment under Article 49a of the PQD. As such, it does not require the establishment of a new legal basis, but rather builds on, and improves where necessary, the current framework. Moreover, the extension of automatic recognition does not, in itself, address the core problems identified in this impact assessment. While automatic recognition facilitates access to certain professions, it remains subject to procedural and administrative constraints which can affect its efficiency in practice. The assessment of the policy options therefore focuses on measures aimed at improving the functioning, speed and transparency of recognition procedures overall. Any future extension of automatic recognition would benefit from these horizontal improvements, rather than constituting a standalone solution to the problems analysed here. However, the review of the PQD will provide an opportunity to introduce a multi-year planning instrument (in the form of a periodically updated working plan) under the Directive to better streamline the process and organise preparatory work on those delegated acts.

As announced in the 2026 Implementation Report, efforts are underway to establish a CTF for physiotherapists. The draft delegated act establishing a Common Training Framework for physiotherapists was published at the end of May 2026 for a four-week public feedback period.[187] This followed the publication, in March 2026, of a report prepared by the Commission and its contractor, which analysed and substantiated the commonalities in the regulation and training for the profession of physiotherapist across Member States.[188]

In addition, the Commission is working to identify additional professions for which CTFs could be developed in the future and reflections are on-going on how to further streamline and structure the process for the selection, prioritisation and assessment of suitable professions for a CTF in the medium-term, in close cooperation with the MS, the professional organisations concerned and other stakeholders. More concretely, the Commission has been working with its contractor to identify an initial list of around ten professions that could be suitable for the development of CTFs, in line with the requirements of Article 49a of the PQD.

This would be supported by the measure envisaged in this impact assessment which seeks to establish a more structured and systematic approach to expanding automatic recognition through a work programme with annual outputs and a multiannual planning perspective agreed with the Group of Coordinators to steer the development of CTFs. This would help make fuller and more effective use of the possibilities for automatic recognition already provided for in the PQD.

[187] Physiotherapists – a common training framework to allow automatic cross-border recognition of qualifications
[188] Feasibility of establishing a common training framework for the profession of physiotherapist - Publications Office of the EU

ANNEX 10: USER JOURNEY OF APPLICANTS TO REGULATED PROFESSIONS

Step	Duration	Challenges
Verify whether the profession is regulated in the host MS and, if so, how?	No formal deadline; depends on the availability and the quality of the available information.	Information is often scattered across different sources, not always consistent and easy to come by. Language issues may add to the complexity.
Identify the correct procedure and the CA	No formal deadline; depends on the availability and the quality of the available information.	Information is often scattered across different sources, not always consistent and easy to come by. Language issues may add to the complexity.
Compile the documents required for recognition	No formal deadline; depends on the number and types of documents that are required for the profession in question.	In addition to evidence of qualifications (e.g. degree or certificate, detailed breakdown on courses, certificate of conformity, etc.), CA may request additional documents (e.g. proof of nationality, of legal establishment, proof of good character, certificate of non-bankruptcy, certificate of good standing, attestation of experience). In some cases, (certified) translations of these documents are requested.
Apply for recognition	No formal deadline; depends on the quality of the interface between the user and the CA .	Lack of digital tools make the actual submission cumbersome.
Respond to additional information requests to the applicant	No formal deadline; depends on the number of type of documents missing in the initial request.	Given the lack of clarity on which professions are regulated and how and what kind of documents are required to provide a complete file, additional information requests often delay the start of the formal recognition procedure.

Processing of the request	Formal deadlines enshrined in the Directive, depend on the recognition regime: 4 months following the submission of a complete file for the recognition under the general system and 3 months for automatic recognition based on minimum training requirements. This includes exchanges between home and host MS to confirm that the documents provided are authentic and meet the required standards.	CA cite several reasons incurred delays, including the high volume of requests, staff shortages, and the time required to verify the validity and authenticity of documents, which is which is often prolonged by late responses from the MS of origin.
Recognition decision	The outcome of the decision differs between individual cases: - No recognition - Full recognition - Partial recognition - Recognition with compensation measures (adaption period, aptitude test)	When compensation measures are required, the recognition procedure is *de facto* prolonged by either the duration of the adaptation period or by the time needed to complete the aptitude test. Any adaptation period needs to be proportional to the substantial differences observed between the qualifications of the applicant and the requirements in the host MS with a maximum duration of three years. The aptitude test needs to be organised within 6 months following the decision.

PO1:Convergence of administrative practices through shared standards

<table>
<tr><th>Driver and issues</th><th>Elements of the option</th></tr>
<tr><td colspan="2">SO1. Ensure complete and clear information on qualification requirements and recognition processes is provided at national level, in line with EU level information</td></tr>
<tr><td><u>Driver</u>

Fragmented and inconsistent information available to applicants

<u>Issues</u>

Information at national level often scattered or difficult to navigate

Information at national level not always consistent with information at EU level</td><td><u>Issue Commission guidance on information structure and quality for competent authority websites</u>

The Commission provides guidance defining how CAs should structure and present information on regulated professions, required documents, procedures, timelines, fees, and appeal rights. It establishes a common template to support clarity and consistency across Member State portals. Guidance could be issued in the short term (1 year).

<u>Carry out voluntary peer review of national portals</u>

A voluntary peer review mechanism enables authorities to benchmark their portals and adopt aligned practices. Monitoring would rely on voluntary reporting by MS, peer-review outcomes, and qualitative assessments of information completeness and user experience (e.g.: feedback collected through your Europe or national portals). No formal enforcement mechanisms would apply, given the non-binding nature of the measure. Peer reviews would run on a rolling basis.</td></tr>
<tr><td colspan="2">SO2. Make recognition processes faster, easier and less burdensome</td></tr>
<tr><td><u>Driver</u>

Process inefficiencies

<u>Issues</u>:</td><td><u>Develop an AI-assisted workflow management system to support CA in the recognition process and applicants in preparing applications. The use of the tool would be voluntary</u>.

The measure provides an EU-developed workflow tool that guides applicants in assembling complete applications and supports CAs in processing and tracking cases. The tool automates basic completeness</td></tr>
</table>

Paper-based, resource-intensive recognition procedures **Procedural deadlines not always respected** **Excessive documentation, translation and certification requirements** **High, unclear or inconsistent application fees**	checks and provides structured processing steps. Use of the system is voluntary and compatible with national IT infrastructures. Monitoring would be based on uptake rates, reductions in incomplete applications, and changes in average processing times in participating MS. No enforcement mechanisms apply, as use of the tool is voluntary. Development would take place in the medium term (2-3 years). Training and technical support would be essential complementary actions.
	<u>Encourage processing of applications in shorter deadlines than provided in the PQD when EU digital credentials are used (automatic system). (e.g. update of Code of conduct, Pilot with like-minded countries)</u>. The measure encourages CAs to apply shorter decision deadlines under Article 51 of Directive 2005/36/EC when applicants submit verifiable EU digital credentials. It introduces indicative reduced timelines through updates to the Code of Conduct. Participating MS implement the shortened deadlines on a voluntary basis. Monitoring would rely on voluntary reporting of processing times and comparison between standard and digitally supported cases. No enforcement mechanisms apply; the measure remains non-binding. Implementation would occur in the short to medium term. Wider uptake will depend on the availability of digital credentials.
	<u>Develop shared understanding between MS on which standards to use, how to improve interoperability of digital systems for recognition (e.g. Community of practice via a GoC Subgroup)</u> The measure establishes a structured forum where MS compare digital systems and develop shared functional standards for interoperability. It promotes common approaches to electronic identity, document formats, and data exchange. Outputs include shared guidance and technical recommendations to support gradual convergence. A GoC subgroup or community of practice would be established to develop shared functional standards (e.g. document formats, data exchange). Outputs would be monitored qualitatively (guidelines, recommendations adopted) rather than through compliance indicators. The measure could be implemented in the medium term.
	<u>Ensure that the document requirements are proportionate (e.g. update the Code of Conduct, sharing best practices)</u> The measure updates the Code of Conduct on the PQD further detailing clear principles and examples defining proportionate documentation, translation, and certification requirements. It provides a reference list distinguishing essential from non-essential documents. CAs are invited to align their practices with these proportionality standards. The Code of Conduct would be updated with clearer guidance, examples and reference lists identifying proportionate document requirements.

	Monitoring would rely on complaints logic, peer discussions and case examples raised in the GoC. The measure would be implemented in the short term.
	Issue guidelines (e.g.: a formula) to calculate reasonable fees for recognition processes (e.g. update the Code of Conduct, share of best practices) The Commission provides an EU formula and methodological guidance for determining reasonable and proportionate fees for recognition procedures. It outlines permissible cost components and presents examples of compliant fee structures. MS use the guidelines to review or adjust their national fee-setting methods. Monitoring would rely on voluntary reporting and comparison of fee levels across MS, but no enforcement mechanisms apply. The measure would be implemented in the short term. Data collection on fees would be a key complementary action (on the side of the Commission) to help with later assessment.
SO3. Improve cooperation and communication among CAs to achieve uniform implementation of recognition processes	
Driver **Fragmented administrative cooperation among national authorities and between national authorities and the Commission** **Issues** **Weak coordination issues among national authorities and with the Commission** **Uneven uptake of EU-level digital tools and reliance on national digital**	Establish indicative response deadlines for administrative cooperation requests between CAs (e.g., 2 weeks), so to ensure organisational interoperability (in line with the European Interoperability framework), and report regularly on non-compliance per country via GoC The Commission presents in the Code of Conduct of the PQD nonbinding response deadlines for IMI exchanges between CAs to support timely cooperation. It defines indicative timeframes for different types of requests. Regular reporting on non-compliance is included in GoC meetings to promote transparency and encourage adherence. Monitoring would be based on IMI statistics and regular reporting of delays per country in GoC meetings. No formal enforcement applies. The measure would be applied in the short term.
	Increase efforts to disseminate training on digital tools and processes (e.g.: IMI, EPC, etc.) to CAs (training at more frequent intervals, recorded training with voice over in all EU languages, etc) The Commission offers more frequent sessions and high-quality recorded modules with voice-overs in all EU languages. It ensures consistent onboarding and supports uniform use of digital tools and procedures. Participation rates and IMI usage statistics would be monitored, although no enforcement applies. The measure would be applied in the short term.
	Encourage recognition processes to be entirely conducted online by CAs (whilst allowing CAs to choose their own system)

infrastructures	The Commission encourages MS to conduct the entire recognition procedure online, from submission to communication of decisions, highlighting the benefits of digital processes. It outlines in the Code of Conduct of the PQD functional requirements for national systems and ensures compatibility with future EU workflow tools. Authorities retain flexibility to choose their own compliant digital solutions. Monitoring would rely on reporting by MS and user feedback, although no enforcement mechanism applies. The measure would be implemented in the medium term.

PO2: Targeted procedural reforms for improved interoperability

Driver and issues	**Elements of the option**
SO1. Ensure complete and clear information on qualification requirements and recognition processes is provided at national level, in line with EU level information	
<u>Driver</u> **Fragmented and inconsistent information available to applicants** **<u>Issues</u>** **Information at national level often scattered or difficult to navigate** **Information at national level not always consistent with information at EU level**	<u>Issue Commission guidance on information structure and quality for competent authority websites</u>; The Commission provides guidance defining how CAs should structure and present information on regulated professions, required documents, procedures, timelines, fees, and appeal rights. It establishes a common template to support clarity and consistency across Member State portals. Guidance could be issued in the short term (1 year). <u>Carry out voluntary peer review of national portals</u> A voluntary peer review mechanism enables authorities to benchmark their portals and adopt aligned practices. Monitoring would rely on voluntary reporting by MS, peer-review outcomes, and qualitative assessments of information completeness and user experience (e.g.: feedback collected through your Europe or national portals). No formal enforcement mechanisms would apply, given the non-binding nature of the measure. Peer reviews would run on a rolling basis. <u>Amend the PQD to ensure real-time automated update through interoperability with the RegProf database information on recognition decisions</u> The PQD is amended to require automatic, real-time updates of recognition related information transmitted from national systems to the RegProf. It establishes a legal obligation for MS to enable continuous synchronisation of recognition decisions and related data. MS would be responsible for adapting their national IT systems to enable real-time or near-real-time data transmission, in line with

	technical specifications defined by the Commission. The Commission would support implementation by providing common data models, interoperability standards and technical guidance. Monitoring would be largely automated and data-driven. The Commission would monitor the completeness and timeliness of data transmitted to RegProf, frequency of updates, discrepancies between national sources and EU-level information. These indicators would allow systematic identification of delays or gaps at MS level. As a binding legal obligation, compliance would be enforceable through standard EU enforcement mechanisms, including structured dialogue and, where necessary, infringement procedures. Implementation would occur over the medium term, reflecting the need for legislative adoption and national IT adaptations (indicatively 2-5 years). Complementary actions to support this measure would include coordination with other EU digital systems (e.g.: SDG, IMI) to ensure consistency and avoid duplication.
SO2. Make recognition processes faster, easier and less burdensome	
<u>Driver</u> **Process inefficiencies** **<u>Issues</u>** **Paper-based, resource-intensive recognition procedures** **Procedural deadlines not always respected** **Excessive documentation, translation and certification requirements** **High, unclear or inconsistent application fees**	<u>Develop an AI-assisted workflow management system to support CA in the recognition process and applicants in preparing applications. The use of the tool would be voluntary, combined with a requirement for MS to ensure digital workflow for recognition procedures</u> The measure provides for the development of an AI-assisted workflow management system to support applicants in preparing complete applications and CAs in processing and tracking recognition cases. The tool would automate basic completeness checks and provide structured processing steps. Its use by MS would remain voluntary and compatible with national IT infrastructures. At the same time, MS would be required to ensure a digital workflow for recognition procedures, which is expected to facilitate and encourage the uptake of interoperable digital tools. Monitoring would be based on uptake rates, reductions in incomplete applications, and changes in average processing times. No enforcement mechanisms would apply to the use of the tool itself, as participation would remain voluntary. Development would take place in the medium term (2–3 years), and training and technical support would constitute essential complementary actions. <u>Amend the PQD to specify deadlines of individual steps of the recognition process with a view to shortening the overall deadlines</u> The PQD is amended to establish specific deadlines for different steps of the recognition process (i.e.: acknowledgement of receipt; sending request to other MS; replying to incoming requests; taking a decision once the applicant completes the application), whilst not changing the overall deadlines already provided for. MS would be responsible for adjusting internal administrative workflows and IT systems to comply

	with the new step-by-step deadlines. Monitoring would rely on objective and quantifiable indicators derived from administrative and digital systems (in particular IMI and national recognition systems), including: compliance with individual step deadlines, average processing times per procedural phase, frequency and duration of deadline overruns. These data would allow systematic comparison across MS and professions. As a binding legislative measure, compliance would be enforceable through standard EU enforcement mechanisms. Recurrent or systemic failure to respect intermediate deadlines could be addressed through structured dialogue and, where necessary, infringement procedures. Implementation of this measure would take place over the medium term, following adoption of the legislative amendment and a transposition period (typically 2-3 years). Complementary actions would include guidance on process mapping, alignment with digital workflow tools, and training for CAs to ensure consistent interpretation of procedural steps.
	Amend the Directive to introduce legal obligation for MS issue Annex V qualifications as interoperable digital credentials The Commission introduces a legal obligation for MS to accept and use EU wide digital credentials as valid evidence of qualifications for sectoral professions under the Directive. It requires credentials to be verifiable, trusted and interoperable across MS. MS would be responsible for issuing credentials, while complying with common EU requirements on verifiability, authenticity, trust and interoperability. The Commission would define the technical specifications and trust framework, ensuring compatibility with EU digital identity and data exchange infrastructures. Monitoring would focus on the proportion of Annex V qualifications issued as digital credentials, uptake and use of digital credentials in recognition procedures, reduction in requests for paper documents or authenticity confirmations. Data would be collected through digital systems and reported at EU level. As a binding obligation, failure to issue or accept compliant digital credentials would be subject to standard enforcement mechanisms under EU law. This includes structured dialogue and infringement procedures where MS fail to issue/accept digital credentials. Implementation would occur over the medium term, reflecting the need to adapt national qualification-issuing systems (3-4 years). Complementary actions to support the measure could include transitional arrangements to allow coexistence of paper and digital formats during the roll-out phase and for very old qualifications (e.g.: issued more than 10 years ago).
	Ensure that the document requirements are proportionate (e.g. update the Code of Conduct, share best practices) The measure updates the Code of Conduct on the PQD further detailing clear principles and examples defining proportionate

	documentation, translation, and certification requirements. It provides a reference list distinguishing essential from non-essential documents. CAs are invited to align their practices with these proportionality standards. The Code of Conduct would be updated with clearer guidance, examples and reference lists identifying proportionate document requirements. Monitoring would rely on complaints logic, peer discussions and case examples raised in the GoC. No enforcement mechanisms apply, as use of the tool is voluntary. The measure would be implemented in the short term.
	<u>Issue guidelines (e.g.: a formula) to calculate reasonable fees for recognition processes (e.g. update the Code of Conduct, share of best practices)</u> The Commission provides an EU formula and methodological guidance for determining reasonable and proportionate fees for recognition procedures. It outlines permissible cost components and presents examples of compliant fee structures. MS use the guidelines to review or adjust their national fee-setting methods. Monitoring would rely on voluntary reporting and comparison of fee levels across MS, but no enforcement mechanisms apply. The measure would be implemented in the short term. Data collection on fees would be a key complementary action (on the side of the Commission) to help with later assessment.
SO3. Improve cooperation and communication among CAs to achieve uniform implementation of recognition processes	
<u>Driver</u> **Fragmented administrative cooperation among national authorities and between national authorities and the Commission** **<u>Issues</u>** **Weak coordination issues among national authorities and with the**	<u>Amend the Directive to establish binding response deadlines for administrative cooperation requests between CA (e.g., 2 weeks)</u> Directive 2005/36/EC is amended to introduce legally binding deadlines for responses to administrative cooperation requests between CAs (through IMI or alternative channels, e.g.: email). The amendment would specify a standard maximum response time (e.g. two weeks), while allowing limited extensions in duly justified cases. MS would be responsible for adapting internal procedures, allocating sufficient resources and ensuring that CAs are operationally capable of respecting the deadlines. The Commission would support implementation through updated IMI workflows, guidance and clarifications discussed within the Group of Coordinators. Monitoring would be based primarily on IMI system data, allowing the Commission to track: response times to cooperation requests, frequency of deadline overruns, patterns of recurrent non-compliance by authority or MS. These data would enable systematic and comparable monitoring across MS and professions, and would feed into regular reporting and discussions in the GoC. As a binding legal obligation, compliance would be enforceable through standard EU enforcement mechanisms. Persistent or systemic failure to respect

Commission **Uneven uptake of EU-level digital tools and reliance on national digital infrastructures**	response deadlines could be addressed through structured dialogue and, where necessary, infringement procedures. Implementation would take place over the medium term, following legislative adoption and a transposition period (typically 2-3 years). Complementary actions would include targeted training for CAs on IMI workflows, awareness-raising on the legal importance of timely cooperation, and organisational support to ensure sufficient staffing and prioritisation of cross-border requests.
	<u>Increase efforts to disseminate training on digital tools and processes (e.g.: IMI, EPC, etc.) to CAs (training at more frequent intervals, recorded training with voice over in all EU languages, etc)</u> The Commission offers more frequent sessions and high-quality recorded modules with voice-overs in all EU languages. It ensures consistent onboarding and supports uniform use of digital tools and procedures. Participation rates and IMI usage statistics would be monitored, although no enforcement applies. The measure would be applied in the short term.
	<u>Require recognition procedures to be capable of being conducted online by CAs (whilst allowing CA to choose their own system, compliant with the AI-assisted workflow)</u> The measure requires MS to ensure that recognition procedures can be conducted through a digital workflow, from the submission of applications to the communication of decisions, while allowing authorities flexibility to choose their own digital solutions. The Commission would outline, in the Code of Conduct under the PQD, functional requirements for national systems and ensure compatibility with future EU workflow tools, including the AI-assisted workflow proposed by the Commission. Monitoring would rely on reporting by MS and user feedback. The measure would be implemented in the medium term.

Policy option 3: **Unified EU workflow and enhanced enforcement**

Driver and issues	**Elements of the option**
SO1. Ensure complete and clear information on qualification requirements and	

recognition processes is provided at national level, in line with EU level information	
Driver **Fragmented and inconsistent information available to applicants** **Issues** **Information at national level often scattered or difficult to navigate** **Information at national level not always consistent with information at EU level**	Amend the PQD to specify in more detail minimum content requirements for national information (regulated professions, documentation, timelines, fees, appeal rights etc.) The PQD is amended by further detailing the uniform set of mandatory information elements that MS must publish for each regulated profession. It defines the minimum headings to be included, such as applicable rules, required documentation, processing timelines, fees, appeal rights and contact details for CAs. The amendment ensures that all national portals present information in a harmonised structure across the EU. MS would be responsible for updating national portals and information systems to comply with the revised requirements, ensuring that information is complete, accurate and presented in a harmonised structure. The Commission would support implementation by issuing interpretative guidance and templates clarifying how the minimum content requirements should be operationalised. Monitoring would combine qualitative and quantitative elements. The Commission would assess: completeness and consistency of information published by MS, alignment of national information with the mandatory content requirements, coherence between national portals and EU-level information tools (e.g.: RegProf, SDG). Monitoring would be supported by desk reviews, structured reporting by MS, and feedback from users and stakeholders. As a binding legislative obligation, compliance with the minimum information requirements would be enforceable through standard EU enforcement mechanisms. Persistent failure to publish complete or compliant information could lead to structured dialogue and, where necessary, infringement procedures. Implementation would take place over the medium term, following legislative adoption and a transposition period (typically 2-3 years). Complementary actions could include coordination with the SDG and targeted training for CAs responsible for information provision. Amend the PQD to ensure real-time automated update through interoperability with the RegProf database information on recognition decisions The PQD is amended to require automatic, real-time updates of recognition related information transmitted from national systems to the Regulated Professions Database (RegProf). It establishes a legal obligation for MS to enable continuous synchronisation of recognition decisions and related data. MS would be responsible for adapting their national IT systems to enable real-time or near-real-time data transmission, in line with technical specifications defined by the Commission. The Commission would support implementation by providing common data models, interoperability standards and technical guidance. Monitoring would be largely automated and data-driven. The Commission would monitor the completeness and timeliness of data

	transmitted to RegProf, frequency of updates, discrepancies between national sources and EU-level information. These indicators would allow systematic identification of delays or gaps at MS level. As a binding legal obligation, compliance would be enforceable through standard EU enforcement mechanisms, including structured dialogue and, where necessary, infringement procedures. Implementation would occur over the medium term, reflecting the need for legislative adoption and national IT adaptations (indicatively 2-5 years). Complementary actions to support this measure would include coordination with other EU digital systems (e.g.: SDG, IMI) to ensure consistency and avoid duplication.
SO2. Make recognition processes faster, easier and less burdensome	
<u>**Driver**</u> **Process inefficiencies** <u>**Issues**</u>**:** **Paper-based, resource-intensive recognition procedures** **Procedural deadlines not always respected** **Excessive documentation, translation and certification requirements** **High, unclear or inconsistent application fees**	<u>Develop, for mandatory use by MS an AI-assisted workflow management system to support CA in the recognition process and applicants in preparing applications</u> The Commission releases for mandatory use by MS an EU developed digital tool that supports applicants in preparing complete files and assists CAs in managing applications through structured workflows. The workflow standardises process steps and reduces administrative handling through automated checks. The Commission would be responsible for developing, maintaining and updating the system, including defining common process steps, data requirements and interfaces with national systems. MS would be required to integrate the EU workflow tool into their administrative processes and ensure that all recognition applications are submitted, processed and decided through the system. While decision-making authority would remain fully with CAs, the workflow would standardise procedural steps, automate basic checks (e.g. completeness of applications) and support structured administrative cooperation. Monitoring would be largely automated and based on data generated by the workflow system itself. The Commission would be able to monitor, in real time: number of applications processed, compliance with procedural and intermediate deadlines, frequency of requests for additional information, processing times by profession and MS. As a binding obligation, mandatory use of the EU workflow system would be enforceable through standard EU enforcement mechanisms. Failure to integrate or properly use the system could be addressed through structured dialogue and, where necessary, infringement procedures. The digital traceability of procedures would also reduce ambiguity regarding compliance with procedural obligations. Implementation would take place over the medium to long term, reflecting the need for system development, legislative adoption and national integration (3-5 years). Complementary actions would be critical and could include training for CAs, change-management support, and transitional-arrangements to ensure continuity of service during the migration to the new system. Safeguards for applicants unable to use digital tools would also be

	required.
	<u>Amend the PQD to specify deadlines of individual steps of the recognition process with a view to shortening the overall deadlines, and foresee lump-sum compensation for non-compliance</u>. The PQD is amended to establish specific deadlines for different steps of the recognition process (i.e.: acknowledgement of receipt; sending request to other MS; replying to incoming requests; taking a decision once the applicant completes the application), whilst not changing the overall deadlines already provided for. MS would be responsible for adjusting internal administrative workflows and IT systems to comply with the new step-by-step deadlines. Monitoring would rely on objective and quantifiable indicators derived from administrative and digital systems (in particular IMI and national recognition systems), including: compliance with individual step deadlines, average processing times per procedural phase, frequency and duration of deadline overruns. These data would allow systematic comparison across MS and professions. As a binding legislative measure, compliance would be enforceable through standard EU enforcement mechanisms. Recurrent or systemic failure to respect intermediate deadlines could be addressed through structured dialogue and, where necessary, infringement procedures. Implementation of this measure would take place over the medium term, following adoption of the legislative amendment and a transposition period (typically 2-3 years). Complementary actions would include guidance on process mapping, alignment with digital workflow tools, and training for CAs to ensure consistent interpretation of procedural steps.
	<u>Amend the PQD to prevent MS from requesting additional information when receiving digital credentials (for professions in Chapter III of the PQD)</u> When receiving digital credentials, CAs in the host MS can no longer request the CAs from the home MS confirmation of the authenticity of the attestations and evidence of formal qualifications awarded, as well as confirmation of the fact that the beneficiary fulfils, the minimum training conditions (for professions in Chapter III of the PQD). MS would be required to adapt administrative practices and internal guidance to ensure that digital credentials are treated as sufficient and authoritative evidence. The Commission would support implementation through interpretative guidance and alignment with the technical specifications governing digital credentials. Monitoring would focus on the frequency of administrative cooperation requests triggered despite the use of digital credentials, complaints and SOLVIT cases related to unnecessary information requests, processing times for applications supported by digital credentials. As a binding legal requirement, compliance would be enforceable through standard EU enforcement mechanisms. Systematic requests for additional information contrary to the amended PQD could

	be addressed through structured dialogue and, if necessary, infringement procedures. Implementation would take place over the medium term, following legislative adoption and a transposition period (typically 2-3 years). <u>Amend the Directive to introduce a legal obligation for MS to issue Annex V qualifications as interoperable digital credentials and accept digital credentials as valid evidence of qualifications for sectoral professions under the Directive (Annex V qualifications)</u> The Commission introduces a legal obligation for MS to not only issue qualifications as EU-wide digital credentials, but also to accept and use such credentials as valid evidence of qualifications for sectoral professions under Directive 2005/36/EC. It requires credentials to be verifiable, trusted and interoperable across MS. MS would be responsible for issuing credentials, while complying with common EU requirements on verifiability, authenticity, trust and interoperability, and would also be required to accept compliant digital credentials as valid evidence in recognition procedures. The Commission would define the technical specifications and trust framework, ensuring compatibility with EU digital identity and data exchange infrastructures. Monitoring would focus on the proportion of Annex V qualifications issued as digital credentials, uptake and use of digital credentials in recognition procedures, including their acceptance by CAs, and the reduction in requests for paper documents or authenticity confirmations. Data would be collected through digital systems and reported at EU level. As a binding obligation, failure to issue or accept compliant digital credentials would be subject to standard enforcement mechanisms under EU law. This includes structured dialogue and infringement procedures where MS fail to issue or accept digital credentials. Implementation would occur over the medium term, reflecting the need to adapt national qualification-issuing and processing systems (3–4 years). Complementary actions to support the measure could include transitional arrangements to allow coexistence of paper and digital formats during the roll-out phase and for very old qualifications (e.g. issued more than 10 years ago).
	<u>Amend the PQD to further reduce, documents requirements allowed by law . Add provision requiring MS to accept documents in all official EU languages</u> Clear reductions are introduced in case Annex V qualifications are provided in the form of digital credentials. A provision requiring MS to accept documents in all official EU languages is added. MS would need to revise national legislation, administrative rules and standard application requirements accordingly. Monitoring would rely on: analysis of document requests in recognition procedures, complaints and feedback from applicants regarding excessive or unlawful requirements, comparison of document requirements across MS. Digital systems would facilitate monitoring by capturing data on requested and submitted

	documents. As a binding legal measure, non-compliance would be enforceable through standard EU mechanisms. Continued imposition of excessive or unlawful document requirements could give rise to infringement procedures. Implementation would occur over the medium term (2-3 years). Complementary actions could include guidance clarifying acceptable documentation, translation practices and interaction with digital credentials.
	<u>Amend the Directive to include common rules to establish fees (not exceeding the cost of the service provided) that CA can charge applicants for the recognition process</u> The measure introduces EU-level rules ensuring that recognition fees are transparent, cost-based and applied consistently across MS, preventing excessive or arbitrary charges for applicants. MS would remain responsible for setting fees but would need to adapt national rules and practices to comply with the cost-based and transparency requirements. Monitoring would involve the collection and comparison of fee levels across MS and professions, the assessment of compliance with cost-based principles, the analysis of complaints linked to excessive or unclear fees. As a binding obligation, failure to comply with the common fee rules would be enforceable through standard EU enforcement mechanisms. Persistent application of excessive or non-transparent fees could lead to infringement procedures. Implementation would take place over the medium term following legislative adoption and transposition (2-3 years). Complementary actions would include methodological guidance on cost calculation and support for data collection on administrative costs.
SO3. Improve cooperation and communication among CAs to achieve uniform implementation of recognition processes	
<u>**Driver**</u> **Fragmented administrative cooperation among national authorities and between national authorities and the Commission** <u>**Issues**</u> **Weak**	<u>Directive 2005/36/EC would be amended to introduce legally binding deadlines for responses to administrative cooperation requests between CAs (through IMI or alternative channels, e.g. email).</u> The amendment would specify a standard maximum response time (e.g. two weeks), while allowing limited extensions in duly justified cases, and would provide for lump-sum compensation where CAs fail to comply with these deadlines. MS would be responsible for adapting internal procedures, allocating sufficient resources and ensuring that CAs are operationally capable of respecting the deadlines. The Commission would support implementation through updated IMI workflows, guidance and clarifications discussed within the Group of Coordinators. Monitoring would be based primarily on IMI system data, allowing the Commission to track: response times to cooperation requests, frequency of deadline overruns, patterns of recurrent non-

coordination issues among national authorities and with the Commission **Uneven uptake of EU-level digital tools and reliance on national digital infrastructures**	compliance by authority or Member State, and instances triggering compensation. These data would enable systematic and comparable monitoring across MS and professions, and would feed into regular reporting and discussions in the Group of Coordinators. As a binding legal obligation, compliance would be enforceable through standard EU enforcement mechanisms. Persistent or systemic failure to respect response deadlines, including repeated cases triggering lump-sum compensation, could be addressed through structured dialogue and, where necessary, infringement procedures. Implementation would take place over the medium term, following legislative adoption and a transposition period (typically 2–3 years). Complementary actions would include targeted training for CAs on IMI workflows, awareness-raising on the legal importance of timely cooperation, and organisational support to ensure sufficient staffing and prioritisation of cross-border requests.
	<u>Increase efforts to disseminate training on digital tools and processes (e.g.: IMI, EPC, etc.) to CAs (training at more frequent intervals, recorded training with voice over in all EU languages, etc)</u> The Commission offers more frequent sessions and high-quality recorded modules with voice-overs in all EU languages. It ensures consistent onboarding and supports uniform use of digital tools and procedures. Participation rates and IMI usage statistics would be monitored, although no enforcement applies. The measure would be applied in the short term.
	<u>Mandate that recognition processes be entirely conducted online by CA with the AI-assisted workflow provided by the Commission (Digital Only Principle).</u> The Commission requires MS to conduct the entire recognition procedure online, from submission to communication of decisions, highlighting the benefits of digital processes. MS shall assist applicants that for specific reasons are not capable to use digital solutions and ensure that all applications are handled through the digital system. MS would be obliged to process all applications through the system, from submission to decision and communication. Safeguards would be required to assist applicants who are unable to use digital tools, while ensuring that all cases are ultimately handled within the digital system. Monitoring would be fully data-driven, based on the workflow system, allowing real-time tracking of application volumes, processing times, compliance with deadlines, system usage by authorities. As a binding obligation, failure to comply with the digital-only principle would be enforceable through standard EU mechanisms. The mandatory nature of the system would also make non-compliance immediately visible through system usage data. Implementation would take place over the longer term (4–5 years), reflecting the scale of transformation required. Complementary actions would be essential and include substantial EU

	funding, extensive training, change-management support, and transitional measures to ensure continuity and inclusiveness.

Measures that could support all policy options

<u>Launch a pilot on chatbots as tools to support information provision to applicants</u>

The Commission develops and launches EU-supported pilot to deploy chatbots that guide applicants through recognition requirements and documentation steps. The chatbot provides standardised answers and directs users to the correct EU and national sources. The pilot generates a common model that MS may adopt or adapt in the future. Pilots would be implemented with a limited number of volunteering MS and professions, with national authorities responsible for validating content and accuracy. Monitoring would entail the development of indicators (e.g.: usage rates, types of queries handled, user satisfaction and reduction in incomplete or incorrect applications. Participation is entirely voluntary; no enforcement applies. Pilots would be launched in the short term (1-2 years). Results would inform possible scaling-up in the medium to long-term.

<u>Amend the Directive to include a provision on cooperation between the Commission and the MS, providing for the adoption of an annual work programme by the expert group on recognition of professional qualifications and its subgroups.</u>

On this measure, see also Annex 9. Cooperation among CAs, and between CAs and the Commission, would benefit from strengthened governance within the Group of Coordinators and its subgroups. The introduction of annual work programmes within a multiannual perspective would help ensure that the expert group supports the Commission not only in the consistent implementation of the PQD, but also in making fuller and more systematic use of the opportunities already provided for in the Directive. This concerns, in particular, the delegated powers available under the PQD. A concrete example is the development of CTFs, which can extend automatic recognition to professions currently covered exclusively by the general system. Enhanced cooperation within the expert group would support a more structured and predictable approach to identifying priority professions and facilitating the development of CTFs, one of the work strands under Action 2 of the SPI.

Annex 12: Discarded measures

The table below presents the policy measures that were considered but ultimately discarded, organised by the problem drivers they were intended to address. These measures were screened against a set of knockout criteria to determine whether they should be retained or excluded at this stage.

The following criteria were applied:

- **Legal feasibility:** the extent to which a measure is compatible with the EU Treaties, consistent with existing EU legislation (including Directive 2005/36/EC), and can be implemented without requiring disproportionate legal amendments.

- **Political feasibility:** the likelihood that the measure can secure sufficient support from EU institutions, MS and relevant stakeholders to be realistically adopted.

- **Effectiveness:** the extent to which the measure is capable of achieving the intended policy objectives.

- **Efficiency:** the extent to which the expected benefits are proportionate to the associated costs.

- **Relevance:** the degree to which the measure directly addresses the identified problem drivers and contributes to the specific objectives.

- **Coherence:** the extent to which the measure is consistent with other EU policies, initiatives and internal market principles, avoiding overlaps or contradictions.

- **Proportionality:** the extent to which the measure does not go beyond what is necessary to achieve the objectives and remains proportionate to the scale of the problem.

- **Identifiability:** the clarity and precision of the measure, including whether its scope, obligations, target groups and expected effects can be clearly defined and operationalised.

- **Subsidiarity:** the extent to which EU action is justified, in that the objectives cannot be sufficiently achieved by MS acting alone and can be better achieved at EU level.

1. Fragmented and inconsistent information available to applicants

Discarded measure	Rationale for discarding
Delegate to the Commission common templates/taxonomies and data models for recognition information; update via delegated acts as practice evolves.	Proportionality: Developing templates designed to be comprehensive and self-contained may easily go beyond what is necessary. Coherence: Overlaps with existing IMI and PSC frameworks.

Make the current obligation on reporting and notifications digital	Relevance: imposing digital reporting and notifications will not necessarily ensure the quality and completeness of the information reported
Mandate regular updates of recognition information on national websites (e.g., PSCs/CA sites) at fixed intervals (e.g., every 3 months).	Proportionality: Fixed update intervals impose significant administrative burden (especially for smaller/less staffed CAs) without guaranteeing alignment. Political feasibility: MS prefer autonomy in managing national portals. Effectiveness: Does not address root causes of inconsistency.
Develop an IMI-based alert system notifying CA of changes recorded in the PQD/national registers.	Effectiveness: Adds monitoring and technical obligations with limited value. Proportionality: High development cost for marginal gain. Coherence: Risks duplication with existing registry systems.

2. Process inefficiencies

Discarded measure	Rationale for discarding
Delegate powers to adapt non-essential technical/procedural elements (standard forms, data fields, workflows) supporting digital recognition.	Legal feasibility: Difficult to separate essential vs. non-essential elements. Coherence: Overlaps with existing IMI governance. Political feasibility: MS likely resistant to Commission-driven redesign.
Introduce an EU digital service/dashboard for real-time status reporting of recognition applications (incl. applicant-facing tracking).	Feasibility: Requires deep integration with diverse national IT systems. Proportionality: High cost for limited added value. Coherence: Overlaps with EPC rather than complementing it.
Extend EPC as currently designed to new professions	Relevance: the current EPC system currently shows shortcomings and uneven implementation
Shorten Article 51 decision deadlines under both automatic and general systems (blanket shorter deadlines, irrespective of digital credentials).	Effectiveness: Risks lowering assessment quality. It would be much more effective to make visible the split of responsibility between home and host MS, each one with defined deadlines instead of shortening the overall deadline. This is a lesson learnt from the EPC where such split of deadlines exists, and it is clear in which MS the process is stalled. Proportionality: Heavy burden for CAs,

	especially smaller ones. Political feasibility: MS likely opposed to blanket reductions.
Shorten Article 51 decision deadlines under the automatic system only (irrespective of digital credentials).	Effectiveness: Risks lowering assessment quality. Proportionality: Heavy burden for CAs, especially smaller ones. Political feasibility: MS likely opposed to blanket reductions, especially for health professions Relevance: when deadlines are not respected, it is often because of lack of/delayed administrative cooperation between MS
Apply shortened Article 51 deadlines when EU digital credentials are used (automatic system). E.g. update of Code of conduct, Pilot with like-minded countries	Effectiveness: Risks lowering assessment quality. Proportionality: Heavy burden for CAs, especially smaller ones. Political feasibility: MS likely opposed to blanket reductions, even in case of use of digital credentials. Relevance: when deadlines are not respected, it is often because of lack of/delayed administrative cooperation between MS
Require CA that demand documentation in excess of what is provided in Art. 50 (and Annex VII) of the Directive to justify in writing, to the applicant and to the home CA, the reason(s) for such request	Legal coherence: Art. 50/Annex VII already limit required documentation. It is not reasonable to ask for justifications to go above and beyond what is already foreseen in the PQD. Redundancy: Duplicates existing safeguards. Proportionality: Adds unnecessary administration.
Mandate uniform fee that CA can charge applicants for the recognition process	Subsidiarity & proportionality: Fees reflect national cost structures. Coherence: Uniformity disrupts cost-recovery principles.
Indicate max fee range that CA can charge applicants for the recognition process	Coherence: maximum fee range could create incentive for CA that do not currently impose any fee, to set one Subsidiarity & proportionality: Fees reflect national structures.

3. Fragmented administrative cooperation

Discarded measure	Rationale for discarding
Mandate that all communications among CA occur through IMI (excluding e.g.: email or telephone)	Proportionality: Overly prescriptive; informal channels remain essential. Effectiveness: Could slow cooperation rather than improve it.
Hold regular online GoC meetings (e.g., every two months) with structured	Efficiency: High frequency risks administrative fatigue. Proportionality: Reporting burdens

reporting on bottlenecks and metrics.	outweigh benefits. Coherence: Existing structures already serve this purpose.
Amend the Decision on GoC to include provisions on tasks and annual work programme.	Efficiency: Directive amendments better placed to achieve the objective; risk of unintended changes to GoC Decision due to possible unstructured stakeholder involvement
Mandate uniform fee that CA (both home and host) can charge applicants for the EPC	Subsidiarity & proportionality: Similar issues as general fees; EPC costs differ across MS. Coherence: Undermines link between fees and cost-recovery.
Indicate a max fee that CA can charge applicants (fee formula adjusted to real costs)	Coherence: a maximum fee range could have the perverse incentive to lead CA that do not currently impose any fee, to set one
Increase efforts to disseminate IMI training to CA	Subsidiarity & proportionality: imposing training could be an excessive burden for CA that already use IMI correctly and effectively Effectiveness: the primary issue linked to IMI use is the lack of/delayed responses
Commission gathers feedback on IMI issues from CA	Effectiveness: Already covered under IMI governance. Identifiability: Little measurable impact
Mandate that recognition processes be entirely conducted online by CA and impose a unique digital platform	Legal feasibility & subsidiarity: Exceeds PQD harmonisation limits. Proportionality: High implementation costs; risks undermining national systems. Coherence: Duplicates EPC scope.
Commission provides a list of approved IT/AI tools	Proportionality: Tools evolve rapidly; ongoing assessment burdensome. Legal feasibility: Risk of endorsing private solutions. Effectiveness: No tool supports full workflow.

The first three tables below present the estimated savings generated under Policy Options 1, 2 and 3. A methodological note is provided below the table for Policy Option 1 to explain the calculation approach and the derivation of the final results. The same methodology, assumptions and calculation approach apply equally to the estimates presented for Policy Options 2 and 3.

PO1: Administrative cost-savings per procedure for applicants and CAs (EUR)

(Recurrent) cost component	Stakeholder	Cost in baseline (EUR)	Gross saving (%)	Gross saving (EUR)	Net saving[189] (EUR)
Fee — qualification-issuing institution	Applicant	38	5-10%	3	2
Fee — home CA (official documents)	Applicant	22	5-10%	2	1
Certified translation	Applicant	150	10-15%	19	11
Notarisation / apostille	Applicant	50	5-10%	4	2
Postal / courier	Applicant	20	5-10%	2	1
Host CA application fee	Applicant	50	0-5%	1	1
(Home and host) CA variable staff cost	CA	623	5-10%	47	28
(Home and host) CA other variable costs	CA	327	3-7%	16	10

[189] Under PO1, a 60% factor (40% discount) is applied to reflect the non-binding nature of the instruments and the documented partial uptake of comparable EU coordination instruments (Single Market Enforcement Taskforce 2020 report on the implementation of post-2013 recognition guidelines; ECA Special Report 2024-10 on the Single Digital Gateway). The factor is corroborated by Q29 of the CA survey (n=81), in which 42% of respondents answered "not sure / it depends" on whether simplification benefits would materialise under non-binding measures.

(Recurrent) cost component	Stakeholder	Cost in baseline (EUR)	Gross saving (%)	Gross saving (EUR)	Net saving[189] (EUR)
Total per procedure		**1 280**	**4-8%**	**Central: 94**	**Central: 81.5**

Source: citizens/professionals survey (Q17), CA survey (Q9, Q11, Q18); Scholz and Rohr; authors' calculations. Gross saving percentages are derived from survey responses on anticipated cost reductions, focus group consultations and bottlenecks documented in ECA Special Report 2024-10; gross EUR values are computed as the gross percentage applied to the baseline cost component. Net savings apply the 60% realisation factor — an analytical calibration parameter reflecting the expected uptake of non-binding measures, by analogy with comparable evidence on voluntary EU coordination instruments (ECA Special Report 2024-10; SMET 2020) — to the minimum and maximum gross savings. The central estimate (EUR 81.5 per procedure) is the midpoint of the resulting net range (EUR 55–108).

<u>Note (of relevance also to calculations for PO2 and 3 below):</u>

The estimated savings are derived from a baseline administrative cost of EUR 1 280 per recognition procedure, consisting of EUR 330 borne by applicants (citizens/professionals survey, Q17) and EUR 950 borne by competent authorities (CA survey, Q9, Q11 and Q18), applied to an annual volume of more than 53 000 procedures. Savings are expressed as a net percentage reduction of this baseline, corresponding to approximately 4–8% under Policy Option 1, 15–22% under Policy Option 2 and 33–47% under Policy Option 3. These percentage reductions were calibrated and triangulated on the basis of multiple sources of evidence, including the cost-reduction responses collected through the applicant and competent authority surveys, consultation polls conducted during the GoC Workshop (10 February 2026) and the EU Representatives and ENIC-NARIC/PES/CSO Focus Groups (23–26 February 2026) where reductions were placed in bands (up to 10%, 10–25%, or more than 25%), evidence on procedural bottlenecks identified in ECA Special Report 2024/10, and the translation-cost evidence reported by Scholz and Rohr. As regards the realisation factor, the 60/75/95% figure is not a single multiplier applied to the component sum. Rather, it is a calibrated factor that condenses a multi-stage correction of the gross benefits: a business-as-usual adjustment, an attribution adjustment, and a likelihood adjustment. This is consistent with the Better Regulation Toolbox CBA approach.

The savings presented in these tables are calibrated at the aggregate level and therefore do not correspond to the simple sum of savings estimated separately for each individual cost component. A component-by-component calculation would provide a more conservative, bottom-up estimate and is useful for illustrating the specific sources of savings. However, it would not fully capture benefits that are more difficult to attribute to individual cost lines, such as shorter processing times, fewer incomplete applications, reduced requests for supplementary information, and fewer delays in cross-border cooperation. The methodology used for the tables was therefore designed to estimate the overall reduction in administrative burden per procedure on the basis of the full body of available evidence and then apply this calibrated reduction to the baseline cost per procedure. This approach also ensures consistency across the quantification of administrative savings, monetised time savings and employer-borne savings, all of which are based on calibrated net ranges and their midpoints. Finally, it provides a more robust estimate by relying on the convergence of multiple sources of evidence rather than on minimum and maximum estimates for each individual cost component.

PO2- Administrative cost-savings per procedure (applicants and CAs) (EUR)

(Recurrent) cost component	Stakeholder	Cost in baseline (EUR)	Gross saving (%)	Gross saving (EUR)	Net saving[190] (EUR)
Fee — qualification-issuing institution	Applicant	38	10–25%	7	5
Fee — home CA (official documents)	Applicant	22	10–20%	3	3
Certified translation	Applicant	150	30–50%	60	45
Notarisation / apostille	Applicant	50	15–25%	11	8
Postal / courier	Applicant	20	10–20%	3	3
Host CA application fee	Applicant	50	10–25%	9	7
(Home and host) CA variable staff cost	CA	623	15–25%	125	94
(Home and host) CA other variable costs	CA	327	10–20%	49	37
Total per procedure		**1 280**	**15-22%**	**Central: 266**	**Central: 243**

Source: citizens/professionals survey (Q17), CA survey (Q9, Q11, Q18); GoC Workshop (10 February 2026); Scholz and Rohr (2026), in the study supporting this impact assessment. Calculation methodology follows the approach set out in the PO1 sub-section. The 75% realisation factor reflects the binding character of the measures (procedural deadlines, document caps, fee transparency obligations) subject to MS transposition discretion, calibrated by analogy with the implementation of comparable binding EU instruments (eIDAS Regulation;

[190] Under PO2, a 75% factor (25% discount) reflects the binding-but-transposition-discretionary character of the measures, consistent with the residual variability typically observed in partial harmonisation directives (eIDAS Regulation 910/2014, as revised by Regulation 2024/1183; Single Digital Gateway Regulation 2018/1724).

Single Digital Gateway Regulation 2018/1724). The central estimate (EUR 243 per procedure) is the midpoint of the resulting net range (EUR 198–288).

PO3: Administrative cost-savings per procedure (applicants and CAs)

(recurrent) Cost component	Stakeholder	Baseline (EUR)	Gross saving (%)	Gross saving (EUR)	Net saving (EUR)[191]
Fee — qualification-issuing institution	Applicant	38	25–40%	13	12
Fee — home CA (official documents)	Applicant	22	20–35%	6	6
Certified translation	Applicant	150	50–80%	98	93
Notarisation / apostille	Applicant	50	20–40%	15	14
Postal / courier	Applicant	20	20–35%	6	6
Host CA application fee	Applicant	50	20–40%	15	14
CA variable staff cost	CA	623	25–40%	202	192
CA other variable costs	CA	327	20–35%	90	86
Total per procedure		**1 280**	**33–47%**	**Central:** **EUR 445**	**Central:** **EUR 512.5**

Source: citizens/professionals survey (Q17), CA survey (Q9, Q11, Q18); GoC Focus Group (4 March 2026); Scholz and Rohr (2026), in the study supporting this impact assessment. Computation of savings is consistent with the methodology described in the PO1 sub-section. The 95% realisation factor — set higher than in PO1 (60%) and PO2 (75%) — reflects the mandatory character of PO3 provisions and the very limited margin for national discretion following transposition, calibrated by analogy with the implementation profile of binding EU

[191] Under PO3, a 95% factor (5% discount) reflects the mandatory character of the provisions, with very limited scope for national discretion following transposition, and a residual 5% for transitional implementation effects in the early years after entry into force.

instruments backed by enforcement mechanisms. The central estimate (EUR 512.5 per procedure) is the midpoint of the resulting net range (EUR 417-608).

Comparative summary

The table below brings together the per-procedure and aggregate annual cost estimates (per-procedure cost × 53,000 baseline procedures) across the three policy options and the baseline, providing a synthetic basis for comparison.

Comparative summary of costs and cost-savings (applicants and CAs) by policy option

Dimension	Baseline	PO1	PO2	PO3
Total burden per procedure (EUR)	1,280	~1,172–1,225	~992–1,082	~672–863
Net saving per procedure — range (EUR)	—	55–108	198–288	417–608
Net saving per procedure — central (EUR)	—	81.5	243	512.5
Net saving as % of baseline	—	4–8%	15–22%	33–47%
Realisation factor applied	—	60%	75%	95%
Aggregate annual saving — range (EUR M)	—	2.9–5.7	10.5–15.3	22.1–32.2
Aggregate annual saving — central (EUR M)	—	4.3	12.9	27.2
Aggregate annual saving as % of baseline (EUR 68.7 M)	—	6.3	18.8	40.1

Source: calculations based on citizens/professionals survey (Q17), CA survey (Q9, Q11, Q18), SCM framework (BRT Tool #58). Central estimates derived as midpoint of net saving range.

The progression across policy options is consistent and economically plausible. A basic internal consistency check confirms that no policy option generates savings exceeding the total cost of the procedure: PO1 reduces the unit cost per procedure by approximately 6% (midpoint of the 4–8% net saving range), PO2 by approximately 19% (midpoint of 15–22%), and PO3 by approximately 40% (midpoint of 33–47%); these correspond to the aggregate annual savings (EUR 4.3M, EUR 12.9M and EUR 27.2M at central estimates) as % of baseline.

The increasing magnitude of savings across options reflects the expanding scope and binding character of the measures: PO1 operates on informational margins without touching structural cost drivers; PO2 addresses the dominant cost components (certified translation and CA staff time) through binding caps and deadlines; PO3 fundamentally restructures the procedure itself through mandatory digital credentials and harmonised templates, addressimg all cost components simultaneously.

Summary of direct cost-savings by policy option

Dimension	Baseline	PO1	PO2	PO3
Baseline volume (annual number of procedures)	53 000			
Total burden per procedure (EUR)	1 280			
Applicant and CA savings per procedure after applying the realisation factors—central (EUR)	—	81.5	243	512.5
Annual applicant and CA cost-savings (EUR M)	—	4.3	12.9	27.2
Annual cost-savings for employers (EUR M)	—	1	1.2	1.5
Annual saving as % of baseline total burden (EUR 67.8 million)	—	7.8%	20.8%	42.3%
Annual monetised time savings for applicants (EUR M)	—	86.2	107.8	136.6
Total direct cost savings (EUR M) Cumulative present value, 2029–2040 (EUR million, 3% discount rate)		**858.5**	**1 143.7**	**1 550.9**

Summary of IT implementation costs (Commission and MS)

	Policy Option 1	Policy Option 2	Policy Option 3
Commission	**Identical costs in all three policy options:** **One-off implementation costs (split over 2 yrs):** EUR 4.46 million **Operation costs (years 1 & 2):** EUR 1.09 million per year **Operation costs (year 3 onwards):** EUR 0.65 million per year		
Member States	None	**One-off implementation costs[192]:** Best case: EUR 0 Realistic: EUR 31.79 million Worst case: EUR 78.03 million **Yearly operation costs:** Best case: EUR 0 Realistic: EUR 3.18 million Worst case: EUR 7.80 million	None
Total costs (EU & MS) development in 2027/28 and operation from 2029-2040	EUR 13.12 million	Best case: EUR 0 Realistic: EUR 83.06 million Worst case: EUR 184.79 million	EUR 13.12 million

[192] EUR 2.89 million per Member State multiplied with the number of Member States that would opt for implementing a solution on national level (optimistic: 9, realistic: 11, pessimistic: 21).

	Policy Option 1	Policy Option 2	Policy Option 3
Total costs for development in 2027/28 and operation from 2029-2040 **(discounted to present value)**	EUR 11.14 million	Best case: EUR 0 Realistic: EUR 71.38 million Worst case: EUR 159.00 million	EUR 11.14 million

Total benefits and costs 2027-2040 (non-discounted)

Cate	Item	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	TOTAL
Policy Option 1																
Benefits																
	Administrative cost savings (applicants & CAs)	- €	- €	4,300,000 €	4,300,000 €	4,300,000 €	4,300,000 €	4,300,000 €	4,300,000 €	4,300,000 €	4,300,000 €	4,300,000 €	4,300,000 €	4,300,000 €	4,300,000 €	**51,600,000 €**
	Administrative cost savings (employers)	- €	- €	1,000,000 €	1,000,000 €	1,000,000 €	1,000,000 €	1,000,000 €	1,000,000 €	1,000,000 €	1,000,000 €	1,000,000 €	1,000,000 €	1,000,000 €	1,000,000 €	**12,000,000 €**
	Monetised time savings (applicants)	- €	- €	86,200,000 €	86,200,000 €	86,200,000 €	86,200,000 €	86,200,000 €	86,200,000 €	86,200,000 €	86,200,000 €	86,200,000 €	86,200,000 €	86,200,000 €	86,200,000 €	**1,034,400,000 €**
Costs																
	Additional volume	- €	- €	- 3,400,000 €	- 3,400,000 €	- 3,400,000 €	- 3,400,000 €	- 3,400,000 €	- 3,400,000 €	- 3,400,000 €	- 3,400,000 €	- 3,400,000 €	- 3,400,000 €	- 3,400,000 €	- 3,400,000 €	**- 40,800,000 €**
	IT implementation															
	One-off costs (EU)															
	Enhanced information portal	- 62,500 €	- 62,500 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 125,000 €**
	AI ChatBot for applicants pilot	- 87,500 €	- 87,500 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 175,000 €**
	Common front-office for applicants	- 350,000 €	- 350,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 700,000 €**
	EDRS back-office module in IMI for CAs	- 425,000 €	- 425,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 850,000 €**
	Integration with EUDI (for verification)	- 70,000 €	- 70,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 140,000 €**
	Integration with OOTS	- 125,000 €	- 125,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 250,000 €**
	Issuance of recognition decision in EUDI	- 125,000 €	- 125,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 250,000 €**
	AI analysis of evidence and decision suppor	- 375,000 €	- 375,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 750,000 €**
	Analytics dashboard	- 100,000 €	- 100,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 200,000 €**
	Other	- 200,000 €	- 200,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 400,000 €**
	Update of data structure of RegProf	- 125,000 €	- 125,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 250,000 €**
	Outreach / communication	- 40,000 €	- 40,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 80,000 €**
	Updating the professions taxonomy in RegPr	- 143,000 €	- 143,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 286,000 €**
	Recurrent IT costs (EU)															
	Hosting	- €	- €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	**- 600,000 €**
	Technical support	- €	- €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	**- 600,000 €**
	Hypercare/stabilisation period	- €	- €	- 875,200 €	- 875,200 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 1,750,400 €**
	Annual maintenance	- €	- €	- €	- €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	**- 4,376,000 €**
	Data audits	- €	- €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	**- 858,000 €**
	Governance	- €	- €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	**- 480,000 €**
	One-off IT costs (MS)															
	Adaptation/development of national system	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
	Integration with EU shared services	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
	Addition of EUDI verification features	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
	Addition of EUDI issuing features	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
	Addition of OOTS verification features	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
	Recurrent IT costs (MS)															
	Support & Maintenance	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
TOTAL Policy Option 1		- 2,228,000 €	- 2,228,000 €	87,013,300 €	87,013,300 €	87,450,900 €	87,450,900 €	87,450,900 €	87,450,900 €	87,450,900 €	87,450,900 €	87,450,900 €	87,450,900 €	87,450,900 €	87,450,900 €	1,044,079,600 €

Policy Option 2

Number of MS to implement own system

11

Benefits															
Administrative cost savings (applicants & CAs)	- €	- €	12,900,000 €	12,900,000 €	12,900,000 €	12,900,000 €	12,900,000 €	12,900,000 €	12,900,000 €	12,900,000 €	12,900,000 €	12,900,000 €	12,900,000 €	12,900,000 €	**154,800,000 €**
Administrative cost savings (employers)	- €	- €	1,200,000 €	1,200,000 €	1,200,000 €	1,200,000 €	1,200,000 €	1,200,000 €	1,200,000 €	1,200,000 €	1,200,000 €	1,200,000 €	1,200,000 €	1,200,000 €	**14,400,000 €**
Monetised time savings (applicants)	- €	- €	107,800,000 €	107,800,000 €	107,800,000 €	107,800,000 €	107,800,000 €	107,800,000 €	107,800,000 €	107,800,000 €	107,800,000 €	107,800,000 €	107,800,000 €	107,800,000 €	**1,293,600,000 €**
Costs															
Additional volume	- €	- €	- 4,900,000 €	- 4,900,000 €	- 4,900,000 €	- 4,900,000 €	- 4,900,000 €	- 4,900,000 €	- 4,900,000 €	- 4,900,000 €	- 4,900,000 €	- 4,900,000 €	- 4,900,000 €	- 4,900,000 €	**- 58,800,000 €**
IT implementation															
One-off costs (EU)															
Enhanced information portal	- 62,500 €	- 62,500 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 125,000 €**
AI ChatBot for applicants pilot	- 87,500 €	- 87,500 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 175,000 €**
Common front-office for applicants	- 350,000 €	- 350,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 700,000 €**
EDRS back-office module in IMI for CAs	- 425,000 €	- 425,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 850,000 €**
Integration with EUDI (for verification)	- 70,000 €	- 70,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 140,000 €**
Integration with OOTS	- 125,000 €	- 125,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 250,000 €**
Issuance of recognition decision in EUDI	- 125,000 €	- 125,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 250,000 €**
AI analysis of evidence and decision support tool	- 375,000 €	- 375,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 750,000 €**
Analytics dashboard	- 100,000 €	- 100,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 200,000 €**
Other	- 200,000 €	- 200,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 400,000 €**
Update of data structure of RegProf	- 125,000 €	- 125,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 250,000 €**
Outreach / communication	- 40,000 €	- 40,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 80,000 €**
Updating the professions taxonomy in RegProf DE	- 143,000 €	- 143,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 286,000 €**
Recurrent IT costs (EU)															
Hosting	- €	- €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	**- 600,000 €**
Technical support	- €	- €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	**- 600,000 €**
Hypercare/stabilisation period	- €	- €	- 875,200 €	- 875,200 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 1,750,400 €**
Annual maintenance	- €	- €	- €	- €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	**- 4,376,000 €**
Data audits	- €	- €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	**- 858,000 €**
Governance	- €	- €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	**- 480,000 €**
One-off IT costs (MS)															
Adaptation/development of national systems	- 11,000,000 €	- 11,000,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 22,000,000 €**
Integration with EU shared services	- 1,375,000 €	- 1,375,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 2,750,000 €**
Addition of EUDI verification features	- 770,000 €	- 770,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 1,540,000 €**
Addition of EUDI issuing features	- 1,375,000 €	- 1,375,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 2,750,000 €**
Addition of OOTS verification features	- 1,375,000 €	- 1,375,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 2,750,000 €**
Recurrent IT costs (MS)															
Support & Maintenance	- €	- €	- 3,179,000 €	- 3,179,000 €	- 3,179,000 €	- 3,179,000 €	- 3,179,000 €	- 3,179,000 €	- 3,179,000 €	- 3,179,000 €	- 3,179,000 €	- 3,179,000 €	- 3,179,000 €	- 3,179,000 €	**- 38,148,000 €**
TOTAL Policy Option 2	- 18,123,000 €	- 18,123,000 €	112,734,300 €	112,734,300 €	113,171,900 €	113,171,900 €	113,171,900 €	113,171,900 €	113,171,900 €	113,171,900 €	113,171,900 €	113,171,900 €	113,171,900 €	113,171,900 €	1,320,941,600 €

Policy Option 3															
Benefits															
Administrative cost savings (applicants & CAs)	- €	- €	27,200,000 €	27,200,000 €	27,200,000 €	27,200,000 €	27,200,000 €	27,200,000 €	27,200,000 €	27,200,000 €	27,200,000 €	27,200,000 €	27,200,000 €	27,200,000 €	**326,400,000 €**
Administrative cost savings (employers)	- €	- €	1,500,000 €	1,500,000 €	1,500,000 €	1,500,000 €	1,500,000 €	1,500,000 €	1,500,000 €	1,500,000 €	1,500,000 €	1,500,000 €	1,500,000 €	1,500,000 €	**18,000,000 €**
Monetised time savings (applicants)	- €	- €	136,600,000 €	136,600,000 €	136,600,000 €	136,600,000 €	136,600,000 €	136,600,000 €	136,600,000 €	136,600,000 €	136,600,000 €	136,600,000 €	136,600,000 €	136,600,000 €	**1,639,200,000 €**
Costs															
Additional volume	- €	- €	- 5,100,000 €	- 5,100,000 €	- 5,100,000 €	- 5,100,000 €	- 5,100,000 €	- 5,100,000 €	- 5,100,000 €	- 5,100,000 €	- 5,100,000 €	- 5,100,000 €	- 5,100,000 €	- 5,100,000 €	**- 61,200,000 €**
IT implementation															
One-off costs (EU)															
Enhanced information portal	- 62,500 €	- 62,500 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 125,000 €**
AI ChatBot for applicants pilot	- 87,500 €	- 87,500 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 175,000 €**
Common front-office for applicants	- 350,000 €	- 350,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 700,000 €**
EDRS back-office module in IMI for CAs	- 425,000 €	- 425,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 850,000 €**
Integration with EUDI (for verification)	- 70,000 €	- 70,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 140,000 €**
Integration with OOTS	- 125,000 €	- 125,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 250,000 €**
Issuance of recognition decision in EUDI	- 125,000 €	- 125,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 250,000 €**
AI analysis of evidence and decision support tool	- 375,000 €	- 375,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 750,000 €**
Analytics dashboard	- 100,000 €	- 100,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 200,000 €**
Other	- 200,000 €	- 200,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 400,000 €**
Update of data structure of RegProf	- 125,000 €	- 125,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 250,000 €**
Outreach / communication	- 40,000 €	- 40,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 80,000 €**
Updating the professions taxonomy in RegProf DE	- 143,000 €	- 143,000 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 286,000 €**
Recurrent IT costs (EU)															
Hosting	- €	- €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	**- 600,000 €**
Technical support	- €	- €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	- 50,000 €	**- 600,000 €**
Hypercare/stabilisation period	- €	- €	- 875,200 €	- 875,200 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 1,750,400 €**
Annual maintenance	- €	- €	- €	- €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	- 437,600 €	**- 4,376,000 €**
Data audits	- €	- €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	- 71,500 €	**- 858,000 €**
Governance	- €	- €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	- 40,000 €	**- 480,000 €**
One-off IT costs (MS)															
Adaptation/development of national systems	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
Integration with EU shared services	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
Addition of EUDI verification features	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
Addition of EUDI issuing features	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
Addition of OOTS verification features	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
Recurrent IT costs (MS)															
Support & Maintenance	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
TOTAL Policy Option 3	- 2,228,000 €	- 2,228,000 €	159,113,300 €	159,113,300 €	159,550,900 €	159,550,900 €	159,550,900 €	159,550,900 €	159,550,900 €	159,550,900 €	159,550,900 €	159,550,900 €	159,550,900 €	159,550,900 €	1,909,279,600 €

Total benefits and costs 2027-2040 (discounted)

Category	Item			2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	TOTAL
Policy Option 1																		
Benefits																		
	Administrative cost savings (applicants & CAs)			- €	- €	3,935,109 €	3,820,494 €	3,709,218 €	3,601,182 €	3,496,293 €	3,394,460 €	3,295,592 €	3,199,604 €	3,106,411 €	3,015,933 €	2,928,091 €	2,842,807 €	**40,345,195 €**
	Administrative cost savings (employers)			- €	- €	915,142 €	888,487 €	862,609 €	837,484 €	813,092 €	789,409 €	766,417 €	744,094 €	722,421 €	701,380 €	680,951 €	661,118 €	**9,382,603 €**
	Monetised time savings (applicants)			- €	- €	78,885,211 €	76,587,584 €	74,356,877 €	72,191,143 €	70,088,488 €	68,047,076 €	66,065,122 €	64,140,895 €	62,272,714 €	60,458,946 €	58,698,006 €	56,988,355 €	**808,780,417 €**
Costs																		
	Additional volume			- €	- €	- 3,111,482 €	- 3,020,856 €	- 2,932,870 €	- 2,847,446 €	- 2,764,511 €	- 2,683,991 €	- 2,605,817 €	- 2,529,919 €	- 2,456,232 €	- 2,384,692 €	- 2,315,235 €	- 2,247,801 €	**- 31,900,852 €**
	IT implementation																	
		One-off costs (EU)																
			Enhanced information portal	- 60,680 €	- 58,912 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 119,592 €**
			AI ChatBot for applicants pilot	- 84,951 €	- 82,477 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 167,429 €**
			Common front-office for applicants	- 339,806 €	- 329,909 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 669,714 €**
			EDRS back-office module in IMI for CAs	- 412,621 €	- 400,603 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 813,225 €**
			Integration with EUDI (for verification)	- 67,961 €	- 65,982 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 133,943 €**
			Integration with OOTS	- 121,359 €	- 117,824 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 239,184 €**
			Issuance of recognition decision in EUDI	- 121,359 €	- 117,824 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 239,184 €**
			AI analysis of evidence and decision support tool	- 364,078 €	- 353,473 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 717,551 €**
			Analytics dashboard	- 97,087 €	- 94,260 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 191,347 €**
			Other	- 194,175 €	- 188,519 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 382,694 €**
			Update of data structure of RegProf	- 121,359 €	- 117,824 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 239,184 €**
			Outreach / communication	- 38,835 €	- 37,704 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 76,539 €**
			Updating the professions taxonomy in RegProf DB	- 138,835 €	- 134,791 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 273,626 €**
		Recurrent IT costs (EU)																
			Hosting	- €	- €	- 45,757 €	- 44,424 €	- 43,130 €	- 41,874 €	- 40,655 €	- 39,470 €	- 38,321 €	- 37,205 €	- 36,121 €	- 35,069 €	- 34,048 €	- 33,056 €	**- 469,130 €**
			Technical support	- €	- €	- 45,757 €	- 44,424 €	- 43,130 €	- 41,874 €	- 40,655 €	- 39,470 €	- 38,321 €	- 37,205 €	- 36,121 €	- 35,069 €	- 34,048 €	- 33,056 €	**- 469,130 €**
			Hypercare/stabilisation period	- €	- €	- 800,932 €	- 777,604 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 1,578,536 €**
			Annual maintenance	- €	- €	- €	- €	- 377,478 €	- 366,483 €	- 355,809 €	- 345,445 €	- 335,384 €	- 325,615 €	- 316,132 €	- 306,924 €	- 297,984 €	- 289,305 €	**- 3,316,559 €**
			Data audits	- €	- €	- 65,433 €	- 63,527 €	- 61,677 €	- 59,880 €	- 58,136 €	- 56,443 €	- 54,799 €	- 53,203 €	- 51,653 €	- 50,149 €	- 48,688 €	- 47,270 €	**- 670,856 €**
			Governance	- €	- €	- 36,606 €	- 35,539 €	- 34,504 €	- 33,499 €	- 32,524 €	- 31,576 €	- 30,657 €	- 29,764 €	- 28,897 €	- 28,055 €	- 27,238 €	- 26,445 €	**- 375,304 €**
		One-off IT costs (MS)																
			Adaptation/development of national systems	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
			Integration with EU shared services	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
			Addition of EUDI verification features	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
			Addition of EUDI issuing features	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
			Addition of OOTS verification features	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
		Recurrent IT costs (MS)																
			Support & Maintenance	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
TOTAL Policy Option 1				- 2,163,107 €	- 2,100,104 €	79,629,496 €	77,310,190 €	75,435,915 €	73,238,752 €	71,105,584 €	69,034,548 €	67,023,833 €	65,071,683 €	63,176,391 €	61,336,302 €	59,549,808 €	57,815,347 €	815,464,637 €

Policy Option 2															
Number of MS to implement own system															
11															
Benefits															
Administrative cost savings (applicants & CAs)	- €	- €	11,805,327 €	11,461,483 €	11,127,653 €	10,803,547 €	10,488,880 €	10,183,379 €	9,886,776 €	9,598,812 €	9,319,234 €	9,047,800 €	8,784,272 €	8,528,420 €	**121,035,584 €**
Administrative cost savings (employers)	- €	- €	1,098,170 €	1,066,184 €	1,035,131 €	1,004,981 €	975,710 €	947,291 €	919,700 €	892,913 €	866,906 €	841,656 €	817,142 €	793,341 €	**11,259,124 €**
Monetised time savings (applicants)	- €	- €	98,652,271 €	95,778,904 €	92,989,227 €	90,280,803 €	87,651,265 €	85,098,315 €	82,619,724 €	80,213,324 €	77,877,014 €	75,608,751 €	73,406,554 €	71,268,499 €	**1,011,444,651 €**
Costs															
Additional volume	- €	- €	- 4,484,194 €	- 4,353,587 €	- 4,226,783 €	- 4,103,673 €	- 3,984,148 €	- 3,868,105 €	- 3,755,442 €	- 3,646,060 €	- 3,539,864 €	- 3,436,761 €	- 3,336,662 €	- 3,239,477 €	**- 45,974,757 €**
IT implementation															
One-off costs (EU)															
Enhanced information portal	- 60,680 €	- 58,912 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 119,592 €**
AI ChatBot for applicants pilot	- 84,951 €	- 82,477 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 167,429 €**
Common front-office for applicants	- 339,806 €	- 329,909 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 669,714 €**
EDRS back-office module in IMI for CAs	- 412,621 €	- 400,603 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 813,225 €**
Integration with EUDI (for verification)	- 67,961 €	- 65,982 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 133,943 €**
Integration with OOTS	- 121,359 €	- 117,824 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 239,184 €**
Issuance of recognition decision in EUDI	- 121,359 €	- 117,824 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 239,184 €**
AI analysis of evidence and decision support tool	- 364,078 €	- 353,473 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 717,551 €**
Analytics dashboard	- 97,087 €	- 94,260 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 191,347 €**
Other	- 194,175 €	- 188,519 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 382,694 €**
Update of data structure of RegProf	- 121,359 €	- 117,824 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 239,184 €**
Outreach / communication	- 38,835 €	- 37,704 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 76,539 €**
Updating the professions taxonomy in RegProf DB	- 138,835 €	- 134,791 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 273,626 €**
Recurrent IT costs (EU)															
Hosting	- €	- €	- 45,757 €	- 44,424 €	- 43,130 €	- 41,874 €	- 40,655 €	- 39,470 €	- 38,321 €	- 37,205 €	- 36,121 €	- 35,069 €	- 34,048 €	- 33,056 €	**- 469,130 €**
Technical support	- €	- €	- 45,757 €	- 44,424 €	- 43,130 €	- 41,874 €	- 40,655 €	- 39,470 €	- 38,321 €	- 37,205 €	- 36,121 €	- 35,069 €	- 34,048 €	- 33,056 €	**- 469,130 €**
Hypercare/stabilisation period	- €	- €	- 800,932 €	- 777,604 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 1,578,536 €**
Annual maintenance	- €	- €	- €	- €	- 377,478 €	- 366,483 €	- 355,809 €	- 345,445 €	- 335,384 €	- 325,615 €	- 316,132 €	- 306,924 €	- 297,984 €	- 289,305 €	**- 3,316,559 €**
Data audits	- €	- €	- 65,433 €	- 63,527 €	- 61,677 €	- 59,880 €	- 58,136 €	- 56,443 €	- 54,799 €	- 53,203 €	- 51,653 €	- 50,149 €	- 48,688 €	- 47,270 €	**- 670,856 €**
Governance	- €	- €	- 36,606 €	- 35,539 €	- 34,504 €	- 33,499 €	- 32,524 €	- 31,576 €	- 30,657 €	- 29,764 €	- 28,897 €	- 28,055 €	- 27,238 €	- 26,445 €	**- 375,304 €**
One-off IT costs (MS)															
Adaptation/development of national systems	- 10,679,612 €	- 10,368,555 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 21,048,167 €**
Integration with EU shared services	- 1,334,951 €	- 1,296,069 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 2,631,021 €**
Addition of EUDI verification features	- 747,573 €	- 725,799 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 1,473,372 €**
Addition of EUDI issuing features	- 1,334,951 €	- 1,296,069 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 2,631,021 €**
Addition of OOTS verification features	- 1,334,951 €	- 1,296,069 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 2,631,021 €**
Recurrent IT costs (MS)															
Support & Maintenance	- €	- €	- 2,909,235 €	- 2,824,500 €	- 2,742,233 €	- 2,662,362 €	- 2,584,818 €	- 2,509,532 €	- 2,436,439 €	- 2,365,475 €	- 2,296,577 €	- 2,229,687 €	- 2,164,744 €	- 2,101,694 €	**- 29,827,296 €**
TOTAL Policy Option 2	- 17,595,146 €	- 17,082,666 €	103,167,854 €	100,162,965 €	97,623,075 €	94,779,685 €	92,019,111 €	89,338,943 €	86,736,838 €	84,210,522 €	81,757,788 €	79,376,494 €	77,064,557 €	74,819,958 €	1,026,379,979 €

Policy Option 3															
Benefits															
Administrative cost savings (applicants & CAs)	- €	- €	24,891,853 €	24,166,848 €	23,462,959 €	22,779,572 €	22,116,089 €	21,471,931 €	20,846,535 €	20,239,354 €	19,649,859 €	19,077,533 €	18,521,876 €	17,982,404 €	**255,206,814 €**
Administrative cost savings (employers)	- €	- €	1,372,712 €	1,332,731 €	1,293,913 €	1,256,226 €	1,219,637 €	1,184,114 €	1,149,625 €	1,116,141 €	1,083,632 €	1,052,070 €	1,021,427 €	991,677 €	**14,073,905 €**
Monetised time savings (applicants)	- €	- €	125,008,351 €	121,367,331 €	117,832,360 €	114,400,349 €	111,068,300 €	107,833,301 €	104,692,526 €	101,643,229 €	98,682,746 €	95,808,492 €	93,017,953 €	90,308,692 €	**1,281,663,630 €**
Costs															
Additional volume	- €	- €	- 4,667,222 €	- 4,531,284 €	- 4,399,305 €	- 4,271,170 €	- 4,146,767 €	- 4,025,987 €	- 3,908,725 €	- 3,794,879 €	- 3,684,349 €	- 3,577,037 €	- 3,472,852 €	- 3,371,701 €	**- 47,851,278 €**
IT implementation															
One-off costs (EU)															
Enhanced information portal	- 60,680 €	- 58,912 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 119,592 €**
AI ChatBot for applicants pilot	- 84,951 €	- 82,477 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 167,429 €**
Common front-office for applicants	- 339,806 €	- 329,909 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 669,714 €**
EDRS back-office module in IMI for CAs	- 412,621 €	- 400,603 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 813,225 €**
Integration with EUDI (for verification)	- 67,961 €	- 65,982 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 133,943 €**
Integration with OOTS	- 121,359 €	- 117,824 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 239,184 €**
Issuance of recognition decision in EUDI	- 121,359 €	- 117,824 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 239,184 €**
AI analysis of evidence and decision support tool	- 364,078 €	- 353,473 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 717,551 €**
Analytics dashboard	- 97,087 €	- 94,260 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 191,347 €**
Other	- 194,175 €	- 188,519 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 382,694 €**
Update of data structure of RegProf	- 121,359 €	- 117,824 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 239,184 €**
Outreach / communication	- 38,835 €	- 37,704 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 76,539 €**
Updating the professions taxonomy in RegProf DB	- 138,835 €	- 134,791 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 273,626 €**
Recurrent IT costs (EU)															
Hosting	- €	- €	- 45,757 €	- 44,424 €	- 43,130 €	- 41,874 €	- 40,655 €	- 39,470 €	- 38,321 €	- 37,205 €	- 36,121 €	- 35,069 €	- 34,048 €	- 33,056 €	**- 469,130 €**
Technical support	- €	- €	- 45,757 €	- 44,424 €	- 43,130 €	- 41,874 €	- 40,655 €	- 39,470 €	- 38,321 €	- 37,205 €	- 36,121 €	- 35,069 €	- 34,048 €	- 33,056 €	**- 469,130 €**
Hypercare/stabilisation period	- €	- €	- 800,932 €	- 777,604 €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- 1,578,536 €**
Annual maintenance	- €	- €	- €	- €	- 377,478 €	- 366,483 €	- 355,809 €	- 345,445 €	- 335,384 €	- 325,615 €	- 316,132 €	- 306,924 €	- 297,984 €	- 289,305 €	**- 3,316,559 €**
Data audits	- €	- €	- 65,433 €	- 63,527 €	- 61,677 €	- 59,880 €	- 58,136 €	- 56,443 €	- 54,799 €	- 53,203 €	- 51,653 €	- 50,149 €	- 48,688 €	- 47,270 €	**- 670,856 €**
Governance	- €	- €	- 36,606 €	- 35,539 €	- 34,504 €	- 33,499 €	- 32,524 €	- 31,576 €	- 30,657 €	- 29,764 €	- 28,897 €	- 28,055 €	- 27,238 €	- 26,445 €	**- 375,304 €**
One-off IT costs (MS)															
Adaptation/development of national systems	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
Integration with EU shared services	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
Addition of EUDI verification features	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
Addition of EUDI issuing features	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
Addition of OOTS verification features	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
Recurrent IT costs (MS)															
Support & Maintenance	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	- €	**- €**
TOTAL Policy Option 3	- 2,163,107 €	- 2,100,104 €	145,611,209 €	141,370,106 €	137,630,008 €	133,621,367 €	129,729,482 €	125,950,954 €	122,282,479 €	118,720,854 €	115,262,965 €	111,905,791 €	108,646,399 €	105,481,941 €	1,491,950,345 €

ANNEX 14: DIVERGING TERRITORIAL IMPACTS OF POLICY OPTIONS

While the initiative supports the functioning of the Single Market by establishing horizontal objectives to streamline the recognition of professional qualifications under the PQD, its implementation costs and socio-economic benefits will not be distributed equally. The territorial variation in impact is driven by the interplay of three main determinants:

- **The scale of professional regulation**: The number of nationally regulated professions and the corresponding share of the domestic labour force employed within them (ranging from under 15% to over 30%).
- **Asymmetry in mobility flows**: A Member State's structural position as a primary country of origin (sending professionals) or a primary country of destination (receiving applications).
- **Baseline procedural efficiency and digital maturity**: The distance between current national practices (fees, processing times, and documentation requirements) and the targeted framework as well as the readiness of public administrations to interface with, or transition to, advanced digital workflows and a shared EU IT infrastructure.

The scale of professional regulation

As highlighted in Annex 8, the share of the labour force working in a regulated profession varies considerably between Member States. Whereas in DE, HR, IE, and SK, regulated professions encompass between 25% and 33% of the total labour force, in DK, SE, and LV the regulated workforce remains under 15%.[193]

Consequently, policy interventions mandating strict administrative and digital workflows will demand a greater total compliance effort in high regulatory density Member States, as they must adapt a larger volume of nationally regulated professions to the new procedural and digital standards. This impact will be particularly pronounced in decentralized or regionalized administrations, where documentation requirements, fee practices, and processing workflows must be re-aligned across multiple independent public bodies.

At the same time, in Member States which regulate a larger share of the labour market any reduction in per-procedure compliance costs will yield disproportionately larger economy-wide savings. By compressing administrative burdens, standardizing fees, and accelerating processing times, these countries will experience the most substantial reductions in vacancy durations for critical shortage roles, capturing the larger share of the direct cost-savings and monetized time savings generated across the Single Market.

Depending on the policy option considered, cost impacts, compliance costs and economic and social benefits would vary between these different types of MS.

Under PO1, the lack of additional binding rules means that high-regulatory-density Member States would avoid immediate compliance pressure. However, they would also fail to capture a considerable share of the potential economy-wide savings due to uneven, voluntary implementation across their Competent Authorities.

[193] On the differences in regulation across MS cf. also European Parliament (2019).

PO2 introduces a distinct trade-off. High-regulatory-density and regionalized Member States would face the heaviest upfront legislative and operational burden to legally enforce strict caps on fees, processing times, and documentation across multiple entities, but they would also secure the largest economy-wide returns, reducing vacancy durations and generating significant direct cost-savings across a substantial share of their workforce. For low-regulatory-density Member States, the compliance effort and corresponding economic returns under Option 2 would remain proportionately smaller and easily absorbed.

PO3 would maximize Single Market integration and eliminate cross-border friction. Low-regulatory-density Member States would navigate this transition with minimal friction, moving their limited number of regulated professions into the unified framework relatively easy. For high-regulatory-density and especially regionalised MS, however, this would require a more fundamental adaptation to align the recognition procedures pertaining to a large volume of distinct national professions with the unified EU workflow.

Asymmetries in professional mobility flows

The administrative burden generated by recognition applications is concentrated within specific geographical regions. Data indicates that a handful of Member States serve as the primary engines of cross-border qualification recognition[194]:

Mobility profile	Dominant Member States (% of EU Total)	Market Characteristics
Primary Countries of Origin	RO (15.8%), ES (12.0%), BE (9.2%), DE (8.2%), FR (7.6%)	High domestic output of mobile professionals; high administrative burden on *home* CAs for outbound verifications.
Primary Countries of Destination	DE (17.6%), IT (14.7%), FR (12.2%), BE (11.5%), LU (7.8%)	High structural reliance on inbound talent; extreme administrative pressure on *host* CAs to process incoming applications.
Low-Volume Inbound/Outbound	BG, EE, CY, IE	Combined influx/outflux shares hover between 0.04% and 0.4% of EU totals. Minimal absolute operational exposure to procedural changes.

Host authorities in primary countries of destination will absorb the majority of the operational impacts associated with processing reforms as their CAs will have to adapt to the improved

[194] Cf. Annex 8 above.

processing workflows and procedural deadlines. From an economic point of view, however, these destination Member States will reap the greatest direct benefits, as the faster and less costly recognition procedures will allow them to quickly draw upon the wider Single Market talent pool to mitigate acute labour shortages in critical sectors, reduce vacancy durations for high-demand roles, and enhance the overall productivity of their workforce. Conversely, home authorities in sending Member States will be highly sensitive to measures improving outbound administrative cooperation as their CAs handle a continuous volume of cross-border verification requests and administrative assistance queries within the mandated response timelines.

The distribution of administrative and economic impacts under each policy option depends heavily on a Member State's specific mobility profile. Under PO1, the lack of binding rules means primary destination countries (such as DE, IT, and FR) could avoid workflow adjustments, but they would also fail to capture systemic economic benefits. Primary sending states (such as RO and ES) would see only little measurable relief from the uncoordinated outbound verification requests straining their home Competent Authorities. Low-volume Member States (BG, EE, CY, and IE) would remain virtually unaffected, given their minimal baseline exposure of 0.04% to 0.4% of EU totals.

PO2, by contrast, introduces binding legal ceilings that would have considerable impact on major mobility hubs. Host authorities in destination countries would face significant upfront operational burden to meet strict processing deadlines. At the same time, they would reap the greatest economic rewards through rapid, low-cost access to cross-border talent. Meanwhile, primary sending states would gain structural predictability through standardized timelines for administrative cooperation, while low-volume countries could easily absorb the compliance rules with negligible impact.

PO3 represents a fundamental structural shift by centralizing or fully unifying the recognition workflow at the EU level. For both primary destination and sending countries, this option would alleviate localized administrative pressures by centralising the workflow development at EU level. Destination states would maximize their economic returns through a frictionless influx of cross-border talent, while sending states would see the outbound verification burden lifted from their home authorities.

Baseline procedural heterogeneity and digital maturity

As indicated above and documented more in detail in the Report on the Implementation of the PQD, recognition systems and procedures are organised differently in the Member States, leading to significant variation in administrative performance as well associated timelines and costs.[195] Significant differences exist in the number and type of documents requested from applicants,[196] the duration of procedures and related compliance with deadlines,[197] the level of

[195] Cf. 2.2. above – Process inefficiencies and references therein. Below are added some ilustrative examples based on data collected for the report on the implementation of the PQD 2020-2024.

[196] For the profession of healthcare assistant, the number of documents requested ranges from fewer than five, for example in Croatia and Hungary, to more than ten in Germany and Austria. Similar variation exists in the volume of documentation to be submitted. While applicants typically provide between 10 and 20 pages of supporting documents, the requirement exceeds 20 pages in Germany, Austria, Belgium and the Netherlands, whereas fewer than 10 pages are generally required in Hungary.

fees charged,[198] and the administrative resources devoted to processing applications.[199] Depending on the current administrative performance, MS will face lower or higher adaptation costs to respect the requirements of the new framework. Impacts will also vary according to the level of digital maturity of public administration[200] and, more specifically, of professional recognition procedures.[201] MS start from markedly different levels of digital

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[197] For the profession of secondary school teacher, Lithuania reports the shortest processing times, completing procedures within two weeks to one month, while Estonia generally processes applications within one month. At the other end of the spectrum, Austria, Germany and Italy report maximum durations of up to four months, with Italy indicating that procedures may in some cases extend to as much as eight months due to staffing constraints and procedural complexities.

[198] Taking as example the profession of radiographers, which is a profession under the general system of recognition, fees vary substantially across MS, ranging from no fee in some MS (Belgium, Malta and the Netherlands) to as much as EUR 1 000 in Finland.

[199] Cf. detailed footnote above under 2.2 – Process inefficiencies.

[200] MS differ significantly in their level of digital maturity. The Digital Decade 2025: eGovernment Benchmark 2025 data show substantial variations across indicators that are particularly relevant for the recognition of professional qualifications, such as the online availability of services, the possibility to complete procedures electronically, the use of electronic identification, pre-filled forms, cross-border data exchanges and user support. While several MS, including Estonia, Finland, Malta and the Netherlands, achieve scores close to or above 90% on many of these indicators, others perform considerably less well, in some cases scoring below 50% on aspects such as cross-border online service availability, eID use or pre-filled forms. These results suggest that MS start from markedly different levels of digital readiness. Consequently, the effort required to implement a common EU digital workflow for recognition procedures is likely to vary significantly across Member States, depending on the maturity of their existing digital public administration systems. Differences in the digital maturity of public administrations across MS are also well documented in the literature. For example, Lobont et al. (2025) identify significant disparities in the digitalisation of public services across the EU. The authors note that countries such as Denmark and Finland consistently perform strongly in the provision of digital public services, while other MS continue to face challenges related to digital infrastructure, digital skills and the adoption of e-government solutions. The study further highlights that successful digital transformation depends not only on technological capabilities but also on institutional quality and regulatory effectiveness. The digitalisation of public administration can face a range of barriers that may affect both the pace and effectiveness of implementation. A recent review of the literature (Figueredo, E., Silva, L.C.S., (2026)) identifies organisational and institutional barriers as the most frequently cited challenge, appearing in 80% of the studies analysed. These include limited administrative capacity, insufficient training, lack of political or managerial support, and bureaucratic complexity. Technical and human-related barriers are also common, being identified in around 69% and 68% of studies respectively, notably shortcomings in digital infrastructure, system interoperability, technical support, digital skills and resistance to change among staff. These findings suggest that the successful implementation of digital public services depends not only on technological solutions but also on administrative capacity, institutional readiness and the ability of public administrations to manage organisational change.

[201] The replies by CAs to a questionnaire on costs distributed by the contractor for the purposes of the study supporting this IA reveal considerable differences in the degree of digitalisation of recognition procedures across CAs. In response to Q21 on whether recognition procedures had been digitalised during the last 5–10 years, respondents reported markedly different levels of progress. While 29/81 respondents indicated that their procedures had been fully digitalised, 38/81 reported only partial digitalisation. A further 14/81 stated that no digitalisation of the recognition procedure had taken place during that period. These results suggest that CAs across Member States start from different levels of digital maturity and may therefore face differing implementation efforts in adapting to a common digital workflow. The expected benefits of further digitalisation also vary. According to responses to Q30, the main expected benefits of fully digitalising recognition procedures are shorter recognition processes (44/77 respondents), lower costs (40/77) and reduced administrative burden (40/77) Higher efficiency gains were mentioned by 23/77 respondents. Qualitative comments further highlighted potential benefits such as easier verification of qualifications through verifiable credentials and the European Digital Identity Wallet, improved authenticity and reliability of diploma information, better access to verified documents and information, and smoother application processes. Some respondents also stressed that, particularly for health professions, full digitalisation would require enhanced cooperation between CAacross MS. At the same time, a number of concerns were raised, including the risk of fraudulent documents, the

readiness, which may result in varying implementation efforts and adaptation costs for initiatives relying on digital administrative procedures and cross-border exchanges of information.

Under PO1, the voluntary nature of the benchmarks means that low-performing Member States with slow processing speeds, excessive documentation requirements, and low digital maturity could avoid immediate compliance pressure and upfront adaptation costs. However, the lack of binding rules under this option also implies that these lagging systems would likely continue to underperform and fail to capture the economic benefits of a streamlined framework. Conversely, high-performing, digitally advanced Member States would incur low costs as they their existing best practices would merely be formalised.

Under PO2, a sharp divergence emerges: Member States with low baseline performance and paper-based workflows would face significant upfront legislative and operational costs to legally enforce strict fee caps, compress processing timelines, and establish digital pathways. Conversely, Member States that already offer fully electronic end-to-end recognition procedures would easily absorb PO2 with minimal adaptation costs, as their current systems are already close to the mandated legal ceilings.

For low-performing and digitally immature countries, transitioning to a centralized EU-level single procedural workflow as mandated under PO3 represents a technical and administrative leap, requiring them to rapidly phase out legacy paper processes. Currently high-performing and highly digitized Member States would be required to modify their already efficient, well-functioning domestic digital platforms to align with the new centralized EU standard.

possible loss of personal interaction with applicants, and practical or legal limitations preventing the exclusive use of digital channels.

Effectiveness

SO1: Complete and clear information on qualification requirements and recognition processes

Under PO1, improvements would rely mainly on non-legislative measures, including guidance on information provision and voluntary peer review of national portals. These measures are expected to improve the structure, completeness and user-friendliness of information. They may also reduce incomplete applications and inconsistencies between information sources. However, as implementation would remain voluntary, impacts are expected to remain limited and uneven (+). PO2 would strengthen these improvements through a combination of legislative and non-legislative measures, notably including binding real-time updates of the RegProf database alongside structured guidance and support tools. Compared to PO1, this option is expected to create a more reliable, up-to-date and aligned information environment, reducing inconsistencies between EU-level and national information sources and supporting more predictable procedures for professionals and CAs (++). PO3 is expected to deliver the strongest results by introducing harmonised and enforceable requirements on the minimum content and structure of national information, combined with automatic synchronisation of EU and national information systems. Compared to the other options, this would establish the highest degree of consistency, transparency and comparability across MS. Applicants would benefit from more complete and standardised information regardless of the Member State concerned, while CAs and employers would gain access to more reliable and comparable information across the Union (+++).

SO2: Make recognition processes faster, easier and less burdensome

Under PO1, simplification would be pursued mainly through non-binding measures promoting digitalisation, AI-assisted workflow tools, lighter documentation requirements and indicative shorter deadlines where possible. These measures are expected to improve the functioning of procedures incrementally by supporting more complete applications, reducing some administrative burdens and facilitating more efficient workflow management. However, because the measures remain non-binding, the overall impact is expected to remain limited (+). PO2 is expected to generate more substantial improvements through a combination of legislative and non-legislative measures introducing more structured procedural rules, step-specific deadlines and mandatory interoperable digital credentials for Annex V qualifications. Compared to PO1, this option would support more consistent simplification across MS, reduce verification and translation burdens, improve workflow management and facilitate more predictable procedures. Nevertheless, differences in national administrative systems and implementation capacity would continue to constrain the extent of simplification achieved (++). PO3 is expected to produce the strongest effects by establishing a harmonised and digital-by-default framework, including mandatory EU workflow systems, binding deadlines, restrictions on documentation and verification requirements, and rules on fee structures. Compared to the other options, this approach directly addresses the structural causes of delays and procedural complexity and is expected to substantially reduce processing times, administrative burden and duplication of work for both professionals and CAs. While implementation challenges may arise, particularly regarding digital capacity and transition costs, PO3 is expected to achieve the highest level of simplification (+++).

SO3: Improve cooperation and communication among CAs in charge of recognition processes

Under PO1, improvements would rely mainly on training, indicative deadlines and encouragement of digital procedures. These measures are expected to support more consistent use of existing cooperation tools and contribute to somewhat faster and more predictable exchanges between authorities. However, as the measures remain voluntary and non-binding, improvements are expected to remain limited and uneven across MS (+). PO2 would reinforce these efforts through more structured cooperation mechanisms and binding deadlines for responses to administrative cooperation requests. Compared to PO1, this option is expected to improve the timeliness, predictability and quality of exchanges between CAs more substantially, while reducing one of the major causes of delays in recognition procedures. Enhanced training and wider use of digital tools are also expected to support more effective and consistent cooperation practices, although outcomes would continue to depend partly on interoperability, administrative capacity and implementation across MS (++). PO3 is expected to deliver the strongest improvement in administrative cooperation by introducing a fully harmonised and enforceable cooperation framework, supported by mandatory digital systems, compulsory training and enforcement mechanisms linked to binding deadlines. Compared to the other options, this framework is expected to significantly improve the reliability, consistency and speed of exchanges between CAs, reduce follow-up requests and support more uniform implementation across the Union. The mandatory use of common digital workflows and stronger coordination mechanisms between the Commission and MS is also expected to strengthen the overall governance and effectiveness of cooperation within the recognition system (+++).

Efficiency

As regards the *balance between cost-savings and costs*, the analysis presented above (Section 6.1.) shows that PO1 generates the lowest level of benefits and welfare gains, while also entailing the lowest implementation costs, given its mainly non-legislative and voluntary nature (+). PO2 is expected to generate greater economic benefits through more structured and partly binding measures, while also involving higher implementation and adaptation costs (++). PO3 is expected to maximise benefits through the most comprehensive simplification and digitalisation measures, including mandatory interoperable digital workflows, standardised procedures and stronger administrative cooperation mechanisms, and also it entails less implementation effort and investment needs at the combined EU and MS level (+++).

As regards the *efficiency of recognition procedures and administrative cooperation as such*, PO1 is expected to improve the functioning of the system through guidance on simplification, indicative deadlines, support for digital tools and improved practices. These measures may reduce certain administrative burdens, but their impact is expected to remain uneven across MS (+). Under PO2, more structured and partly binding measures are introduced to improve digitalisation, reduce documentation requirements, accelerate procedures, and strengthen administrative cooperation. Compared to PO1, this is expected to generate more consistent efficiency gains by improving workflow management for applicants and CAs (++). PO3 goes further by introducing mandatory digital workflows, binding deadlines, limitations on documentary requirements, mandatory use of digital credentials and reinforced cooperation mechanisms. This option is expected to generate the strongest improvements in procedural efficiency by substantially reducing reliance on paper-based procedures, streamlining exchanges between authorities, reducing delays and creating a more integrated recognition system across the Union (+++).

Coherence

As regards *coherence with other EU initiatives and broader Union objectives*, PO1 improves alignment with existing EU digital and administrative tools, notably through interoperability guidance and support for digital procedures, while contributing to broader objectives related to digitalisation, labour mobility and administrative simplification. However, because integration with EU-level tools remains incomplete and dependent on voluntary uptake, coherence with wider EU initiatives remains partial (+). PO2 significantly strengthens alignment between national systems and EU-level tools such as RegProf, IMI and the Single Digital Gateway through more structured requirements, coordination mechanisms and greater standardisation. This option therefore contributes more substantially to wider EU objectives related to interoperability, skills portability, digitalisation and the functioning of the Single Market (++). PO3 goes further by introducing harmonised procedural and information requirements, mandatory digital workflows and real-time synchronisation between national and EU-level systems. As a result, it creates the strongest level of coherence with wider Union initiatives and digital policy objectives by ensuring systematic integration and compatibility between national recognition systems and EU tools and infrastructures (+++).

As regards *coherence in terms of creating a more aligned, coordinated and integrated recognition system across MS*, PO1 is expected to improve consistency and coordination to a limited extent through guidance, training, indicative deadlines and encouragement of more consistent use of existing digital cooperation tools. These measures may improve predictability and reduce some discrepancies in information provision, procedural practices and administrative cooperation, but important differences between MS are expected to persist (+). PO2 is expected to generate more substantial coherence gains by introducing more structured cooperation frameworks, stronger interoperability, clearer procedural expectations and greater standardisation of information and documentation requirements. This is expected to improve consistency in the functioning of recognition systems and strengthen coordination between CAs and the Commission (++). PO3 is expected to generate the highest level of overall system coherence by establishing harmonised procedural frameworks, mandatory interoperable digital systems, binding cooperation mechanisms and fully integrated workflows across MS. Compared to the previous options, it therefore creates the most aligned, coordinated and integrated recognition system across the Union, with greater consistency between national systems, stronger interoperability of procedures and tools, and more predictable cooperation between CAs and the Commission (+++).

Proportionality

In line with the EU principle of proportionality, policy intervention should *not exceed what is necessary to achieve the objectives pursued*, and the content and form of the action should be *limited to what is required to address the identified problems effectively*.

Proportionality was applied as a knock-out criterion in the early stages of the analytical process, to ensure that all measures retained from the initial long list complied with this requirement (cf. Annex 12). Measures that were assessed as potentially excessive in relation to their expected added value were excluded at that stage. As a result, all retained measures that were subsequently combined into policy options are, by design, proportionate to the problems identified and the objectives pursued.

Beyond this initial screening, the proportionality of the different policy options (packages of measures) has been also assessed qualitatively, taking into account the balance between the expected benefits and the implementation efforts required from the Commission, MS, and other stakeholders. This assessment considers, in particular, whether the scope, intensity, and implementation requirements of each option are commensurate with its anticipated impacts. PO1 is inherently proportionate in that it focuses on targeted measures that directly address key issues while preserving a high degree of national flexibility. Its design deliberately avoids regulatory burden and relies on soft instruments and support mechanisms, ensuring that the level of EU intervention remains limited and commensurate with its objectives. The scope and intensity of action are therefore well aligned with the objective of incremental improvement. PO2 also satisfies the proportionality principle by introducing binding elements only where the analysis demonstrates that persistent structural problems cannot be adequately addressed through non-binding means alone. These elements remain limited in scope and leave ample room for national discretion in implementation. The measures included are tailored to the objectives pursued, ensuring that the additional requirements are justified by the expected benefits and do not go beyond what is necessary. PO3 is likewise proportionate, although it reflects a different policy choice. It addresses the identified issues in a more comprehensive and systematic manner, with the aim of achieving stronger and more durable outcomes. The higher level of implementation effort associated with this option, while still preserving flexibility for MS in line with the nature of the legal instrument as a Directive, stems directly from the broader scope and greater ambition of the measures envisaged, rather than from any disproportionate character of the measures themselves: the measures remain appropriate and necessary given the scale and persistence of the challenges they seek to address. The option is proportionate insofar as the form and intensity of intervention are aligned with the objective of achieving more substantial and lasting change.

ANNEX 16: MONITORING INDICATORS

The table below presents the monitoring indicators associated with each specific objective, together with the corresponding data source and responsible actor, the baseline against which progress will be assessed, and the frequency of data collection.

	Monitoring indicator	Data source/responsible actor	Baseline	Frequency
SO1	Presence and completeness of required information on national portals	Review of national portals and RegProf checks by the Commission	2029 (pre-implementation benchmark collected 2028)	Every two years
	Consistency between national information and EU-level information sources	Comparison by the Commission of national portals with RegProf database	2029	Every two years
	Share of incomplete or incorrectly prepared applications linked to information gaps	Reporting by CAs consolidated by National Coordinators	2029	Every two years
	User satisfaction with the clarity and accessibility of information	Surveys of professionals carried out by the Commission through CAs	2029	Every two years
SO2	Average processing times for recognition procedures	Digital system statistics retrieved by the Commission	2029	Annually
	Average numbers of documents, translations and certifications requested per application	Digital system statistics retrieved by the Commission	2029	Annually

	Monitoring indicator	Data source/responsible actor	Baseline	Frequency
	Administrative effort required to process an application	Reporting by CAs consolidated by National Coordinators	2029	Every two years
	Number of applications completed within prescribed deadlines	Digital system statistics retrieved by the Commission	2029	Annually
SO3	Average response times to administrative cooperation requests	Digital system statistics retrieved by the Commission	2029	Annually
	Average number of information requests and confirmation exchanges per recognition case	Digital system statistics retrieved by the Commission	2029	Annually
	Satisfaction of CAs with the quality and usefulness of responses received	Reporting by CAs consolidated by National Coordinators	2029	Every two years

ANNEX 17: COMBINED IMPACTS OF SPI PREFERRED OPTIONS UNDER ACTION 1, 2, AND 3

When combined, the preferred options under Actions 1, 2 and 3 are expected to generate substantial administrative cost savings and broader economic and social benefits by improving the transparency, comparability, portability and recognition of qualifications and skills across the EU labour market.

As explained in more detail in the dedicated impact assessments, the three Actions address different aspects of the same underlying problem: difficulties in presenting, verifying and recognising qualifications and skills across borders. Action 1 focuses on ensuring that labour market actors in the EU have access to simplified, effective, digital and cost-efficient ways to carry, prove, read, understand and compare qualifications and skills obtained in another MS, Action 2 on the cross-border recognition of qualifications required to access regulated professions, and Action 3 on the recognition of qualifications of third-country nationals.

The combined effect of the SPI is to reduce information asymmetries, administrative burden and recognition delays across borders supporting the creation of a genuine Single Market for talent. Together, the measures included in the preferred policy options for each of the actions contribute to improved labour mobility and skills matching. This is particularly relevant given the significantly higher overqualification rates observed among EU mobile workers (31.3%) and third-country nationals (39.4%) compared to domestic workers (20.2%).

The anticipated outcomes of the preferred policy options are intrinsically interrelated and mutually reinforcing in various ways.

- Action 1 acts as a critical enabler for Action 2 as the availability of interoperable, secure and verifiable digital qualifications is crucial to allow for faster and less burdensome cross-border recognition processes under the PQD.

- Conversely, the preferred policy option under Action 2 is expected to provide a concrete and reliable pathway for the benefits of digital credentials to materialise. Qualifications benefiting from automatic recognition account for almost half of all establishment recognition cases under the PQD. By ensuring that these qualifications are systematically issued and accepted in digital credential format, the preferred option would create a sizeable and predictable volume of use from the outset, thereby supporting the deployment and practical benefits of digital credentials across recognition procedures.

- The preferred options under Action 1 and 2 also support the implementation of Action 3 as the creation of a unified digital workflow for the recognition of qualifications of EU citizens, linking the various competent authorities in the MS, facilitates the interoperability between national databases on third-country qualifications and recognition.

- In turn, Action 3 ensures that third-country nationals benefit from a similarly robust, albeit specific, legal framework as EU citizens for the recognition of their qualifications, thereby establishing a more equitable level playing field in the EU labour market.

- By working together to establish common approaches for the assessment and recognition of qualifications obtained outside the EU in the context of Action 3, MS may further strengthen mutual trust and cooperation between their competent authorities. This is expected to reinforce the practical application of the principle of mutual recognition, which is a cornerstone of the system for the recognition of professional qualifications within the EU, and may contribute to a more efficient, consistent and less burdensome treatment of qualifications obtained in other MS.

With respect to implementation costs, the preferred options yield significant synergies through two main channels:

- By establishing common information standards, standards for digital credentials, verification mechanisms, and qualification databases, the initiative reduces the cost of presenting, verifying, and recognizing qualifications. As adoption grows, the value of these systems for workers, employers, and public authorities increases—creating network effects and economies of scale and maximizing the return on digital infrastructure investments.

- Using the EQF as a universal reference framework across all three actions makes qualifications easier to compare, understand, and verify, minimizing information asymmetries and fostering greater trust within the EU. Furthermore, widespread adoption of the EQF within the Single Market incentivizes non-EU partners to relate to it, simplifying the integration and recognition of third-country qualifications.

The combined actions are expected to generate substantial economic benefits.

Action 1 is estimated to generate quantified direct benefits of approximately EUR 164–336 million over the period 2026–2040, primarily through reduced administrative costs associated with the presentation, assessment and verification of qualifications across borders. Employers are expected to benefit from lower costs for verifying and understanding qualifications from other MS, while workers will benefit from fewer and cheaper comparability procedures. Issuers of qualifications will also benefit from reduced administrative burdens as digital attestations enable automatic verification, reducing the need to respond to third-party requests. With its focus on digitalising NQF qualifications (which are most labour market relevant), the action directs the investment to the segment with the highest return, with positive spillovers on national labour markets and the area of further learning. Indirect benefits can also be expected: as the action contributes positively to the functioning of the internal market and EU competitiveness: it is expected to facilitate cross-border hiring with some effect on skills mismatches and improved labour market allocation.

Within the specific context of regulated professions, **Action 2** is expected to generate annual administrative cost savings of approximately EUR 28.7 million for applicants, competent authorities and, where they support recognition procedures on behalf of applicants, employers. In addition, they are projected to deliver an additional EUR 136.6 million per year in monetised time savings resulting from faster access to the labour market for professionals seeking recognition in another Member State. Taken together, these savings are estimated to amount to approximately EUR 1.6 billion in present value terms over the period 2029–2040. Swifter, cheaper and less burdensome recognition procedures are also expected to generate considerable indirect economic and social impacts, supporting firm-level competitiveness, allocative efficiency of skills in the Single Market, improved employment opportunities, and increased resilience of essential social services such as healthcare.

Targeted specifically at third-country nationals, **Action 3** is expected to reduce administrative costs for applicants and CAs by over EUR 22 million/year, resulting in cumulative administrative savings of approximately EUR 231 million between 2029 and 2040. In addition, employers would benefit from a reduction of around 25% in administrative costs for applications under the general system and of approximately 42.5% for automatically recognised qualifications. At constant recruitment levels, the reduction of employer-borne recruitment costs is estimated at over EUR 20 million/year, resulting in a cumulative cost reduction of EUR 207 million between 2029 and 2040. PO3 would also reduce the processing time of recognition applications considerably, allowing qualified TCNs to exercise a regulated profession of their choice more quickly (by between 9 to 10 months depending on the recognition regime). This generates monetised time savings for the applicants, which in the aggregate are estimated at approximately EUR 300 million/year or slightly over EUR 3 billion from 2029 to 2040.

Better integration of third-country nationals in the Single Market is also expected to generate indirect but sizeable positive effects on firm-level competitiveness by facilitating access to a wider, geographically diverse pool of qualified applicants and alleviating critical shortages. At macro-economic level, the resulting increase in the overall labour supply and improved skills matching contributes to economic growth. From a social perspective, facilitating recognition of qualifications of third country nationals contributes to upward career mobility, improved long-term income security and, at macro-level, increased resilience of social services by addressing critical labour shortages in various sectors.

These estimated direct cost savings and anticipated economic and social benefits are not designed for aggregation, as some beneficiaries and impact channels overlap. Nevertheless, they point consistently towards substantial reductions in transaction costs and significant gains from earlier labour-market entry and improved skills utilisation.

The preferred options presented build on an independently existing IT infrastructure (the EUDI Wallet) that is considered in the baseline of Action 1 and Action 2. Common digital tools, interoperable systems and common information standards reduce duplication of effort and increase the benefits generated by implementation expenditure. As a result, the overall initiative is expected to be more cost-effective than separate interventions addressing each area individually.

The distribution of costs and benefits is uneven by design. Public administrations bear a significant share of implementation costs (which however are more effectively invested in the proposed coordinated manner compared to uncoordinated actions by MS), while a large share of the benefits accrues to workers and employers through reduced administrative burdens, lower recruitment costs and faster access to employment opportunities. This reflects the objective of removing market frictions and improving labour-market functioning.

The main implementation challenge relates to ensuring interoperability and coordination across the different digital systems and governance arrangements established under the Initiative. Failure to achieve sufficient interoperability could reduce some of the expected efficiency gains and increase administrative complexity. These challenges are addressed by the use of common standards, shared digital infrastructure and phased implementation.

In general, the Skills Portability Initiative generates substantial synergies and economies of scale. By simultaneously addressing the presentation, verification and recognition of qualifications across different labour-market contexts, the three Actions deliver greater economic, administrative and social benefits than would be achieved through their separate implementation.

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