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INFORMATION MEMO

Freedom of establishment in forestry

The EEC Commission has proposed to the Council of Ministers a directive on freedom of establishment and freedom to supply services as self-employed persons in forestry.

The Member States will remove restrictions preventing beneficiaries from setting up business in the host country. In particular they will ensure that:

- (a) Beneficiaries operating on their territory enjoy the same rights as their own nationals to:
  - (i) loans, aids and subsidies;
  - (ii) normal tax reliefs;
- (b) Beneficiaries may submit tenders and conclude contracts in the same way as nationals, acting also as joint contractors or subcontractors;
- (c) Where certain operations involving the use of toxic or dangerous products are subject to special permission, the beneficiaries may obtain such permission with no more difficulty than their own nationals.

Freedom to supply services will also mean that beneficiaries may carry out in member countries other than that in which they are established any necessary preliminary operations connected with their business; for example they may attract custom by advertising and canvassing.

In the customer's country, beneficiaries will be able to operate on a temporary basis, without right of establishment, for the duration of the work undertaken, their central management remaining in another Member State.

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They will have the same rights as nationals to join trade associations and be placed on the trade register, in particular where an activity covered by the directive or the exercise of rights connected with it is subject to such membership or registration. In the case of services, however, beneficiaries cannot be obliged to become members of a trade organization or to register unless they are supplying services for a period exceeding ninety days in the calendar year.

Where the host country requires from its own nationals seeking permission to engage in any of the activities concerned by the directive proof of good character and/or proof that they have never been declared bankrupt, that country must accept from the beneficiaries of this directive a certificate based on police records or, failing this, a similar document issued by the appropriate authority in the country of origin (or the country from which the applicant has come) attesting that these requirements are satisfied.

If it is not the practice in the latter country to issue such a certificate, the interested party may submit in its place an affidavit sworn before a legal or administrative authority, a notary or the appropriate professional body in the country concerned.

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