

Practise and entry possibilities in the German skilled crafts sector

Possibilities of establishment without a 'Master' qualification

For several years, an intensive debate has been continuing on a European level regarding stronger integration of the single market in terms of provisions of services. Regulated professions return to the centre of the debate again and again. In Germany, the term 'regulated professions' includes all skilled crafts professions under Appendix A of the Crafts and Trade Code (HWO). They are also often referred to as professions requiring a Master qualification. Contrary to the prevailing opinion, acquisition of a Master qualification is not mandatory for establishment in one of the regulated skilled crafts professions. As part of the amendment to the German Crafts and Trade Code in 2004 in Germany, several exceptions were introduced.

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Executive Summary



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- As part of the amendment to the German Crafts and Trade Code in 2004 in Germany, several exceptions were introduced. The German Master qualification is not an absolute requirement to become established in a regulated skilled crafts profession.
- Engineers and graduates of technical colleges/universities can become established in regulated skilled crafts professions without a Master qualification.
- After six years of working in their profession, journeymen in Appendix A have the opportunity to start their own business without a Master qualification as well.
- Skilled craftsmen who have already gone into business for themselves in a regulated skilled crafts profession can also provide services in other regulated skilled crafts professions after being issued an authorization to practice.
- In exemptions/cases of hardship, practicing/establishment of the profession can also be approved without a Master qualification.

- Company owners are also able to establish a company without having a Master qualification. The company owner must solely have the necessary qualification.
- Temporary, cross-border provision of services is possible for persons from other European member countries. The provision of services in a regulated skilled crafts profession solely has to be registered with the responsible chamber of skilled crafts.
- For the recognition of professional experience, the equivalency of the qualification is examined in individual proceedings – a German Master qualification is not necessary.
- The German Master qualification is not an absolute requirement for the provision of services in Germany and thus also not a barrier to the European single market.

Background

Protracted European debate about regulated professions, the European Commission started several initiatives

For several years, an intensive debate has been continuing on a European level regarding stronger integration of the single market in terms of provisions of services. Regulated professions return to the centre of the debate again and again. In Germany, the term regulated professions includes all skilled crafts professions under Appendix A of the Crafts and Trade Code (HWO). They are also often referred to as professions requiring a Master qualification.

The European Commission issued a communication on October 2, 2013 on '[Evaluating national regulations on access to professions](#)'. In it, member states were called on to set down in writing and evaluate all national regulations and provide national action plans for regulated professions. The measure was justified with Article 59 (5) of the [new recognition of professional qualification directive 2013/55/EU](#). In this directive, the member countries were obligated to portray why regulations are justified, necessary and commensurate, by January 18, 2016 (known as the Transparency Initiative).

In the meantime, the European Commission presented a [new European single market strategy](#) in October of 2015. In addition to the reference to the ongoing transparency initiative, the Commission announced that the access to regulated professions was to continue to be improved. The Commission wants to develop and present an assessment for the member countries on this issue, on the basis of which their existing or also newly regulated occupational profiles are to be evaluated. The Commission simultaneously demands a stronger linking of the debate on regulated professions with the European Semester. This idea was taken up particularly in two roadmaps of the Commission on the further proceedings in the segment of regulated professions in June of 2016.

Possibilities of establishment in a regulated skilled crafts profession without the title of 'Master' as part of the German Crafts and Trade Code

As part of the amendment to the German Crafts and Trade Code in 2004 in Germany, several exceptions were introduced. The German Master qualification is not an absolute requirement to become established in a regulated skilled crafts profession.

Contrary to the prevailing opinion, a 'Master' title is not necessarily required for an establishment in a regulated profession. Journeymen of Appendix A (regulated skilled crafts professions) also have the possibility to become self-employed in Germany without a 'Master' title after working for six years in their trade (including four years in a managing position). Within the context of the amendment of the Trade and Craft Code several exemptions were specified in Germany. The so-called 'owner principle' was also nullified in 2004 – the company owner thus no longer needs to have a 'Master' title; it is sufficient for him or her to hire a person with the corresponding qualifications. Further, the entry in the Register of Craftsmen was made easier for *Techniker* (~technicians) and *Industriemeister* (~foremen).

Registering of engineers and graduates of technical colleges/universities/foreign higher education studies

Engineers and graduates of technical colleges/universities can become established in regulated skilled crafts professions without a Master qualification.

Engineers, graduates of technical colleges/universities and state-approved vocational-technical schools for technology and for design can also have themselves registered in the Register of Craftsmen. The area of concentration of the studies or course specialisation of their exams must solely correspond to the regulated skilled crafts profession. This also applies to graduates who took their final examination at a university in the European Economic Area or in Switzerland. Proof of practise is not necessary.



German Crafts and Trade Code in valid version

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§7 Para. 2 German Crafts and Trade Code

- (2) Further, engineers, graduates of technical colleges/universities and public or state-approved vocational-technical schools for technology and for design can be entered into the Register of Craftsmen with the regulated skilled crafts profession that corresponds to the area of concentration of the studies or course specialisation of their exams. This also applies to persons who successfully passed a different German state or state-approved examination at least equivalent to the 'Master' exam to practise the respective regulated skilled crafts profession. This also includes exams on the basis of a statutory regulation passed under §42 of this law or under §53 of the Vocational Training Act, as far as they are equivalent. Considered equal to a final examination at a German university/college are diplomas that were issued after conclusion of vocational training lasting at least three years or part-time vocational training of a corresponding duration at a university, a college or a different vocational training facility with an equivalent vocational training level in a different member state of the European Union, a different contractual state of the Agreement on the European Economic Area or in Switzerland; if vocational training is required in addition to the academic studies, additional proof is to be provided that it was completed. The decision whether the requirements for the entry have been fulfilled is made by the chamber. For the purpose of entry into the Register of Craftsmen, the Federal Ministry for Economic Affairs and Technology can, under Sentence 1, in agreement with the Federal Ministry of Education and Research and by means of statutory regulation with the consent of the Federal Assembly, determine the requirements under which the tests passed in the area of concentration of the studies or course specialisation correspond to 'Master' examinations in regulated skilled crafts professions under Sentence 1.

‘Senior journeyman regulation’

After six years of working in their profession, journeymen in Appendix A have the opportunity to start their own business without a Master qualification as well.

The title of ‘Master’ is not absolutely necessary for the establishment in a regulated profession in Germany. Journeymen of Appendix A also have the possibility to become self-employed in Germany without a ‘Master’ title after working for six years in their trade (known as the ‘senior journeymen regulation’). In addition to six years of work in their profession, the journeyman solely has to prove four years in a managerial position. 26,729 people across Germany have already made use of this exception between 2004 and 2010.

§7b German Crafts and Trade Code

- (1) An authorization to practise regulated skilled crafts professions, apart from the cases in numbers 12 and 33 to 37 of Appendix A, is given to anyone who
1. has passed a journeyman’s examination in the regulated skilled crafts profession to be practised or in a related regulated skilled crafts profession or a final examination in a recognised profession requiring vocational training corresponding to the regulated skilled crafts profession to be practised and
 2. has worked a total of six years in the regulated skilled crafts profession to be practised or in a related regulated skilled crafts profession or in a profession corresponding to the regulated skilled crafts profession to be practised, including a total of four years in a managerial position. A managerial position is to be assumed when the journeyman has been assigned the authority and responsibility to make decisions at a company or in a significant part of the company. Proof of this can be provided by means of letters of reference, job descriptions or in a different manner. In the case of a statement of equivalency under §40a, only the professional experience after issuing of such is taken into consideration.
 3. The profession practised must have included at least significant activity in the regulated skilled crafts profession the authorisation to practise has been applied for.
- [...]

Authorization to practise in other skilled crafts professions

Skilled craftsmen who have already gone into business for themselves in a regulated skilled crafts profession can also provide services in other regulated skilled crafts professions after being issued an authorization to practice.

For skilled craftsmen who are already self-employed in a regulated skilled crafts profession, there fundamentally exists a possibility to provide services in other regulated skilled crafts professions as well. The skilled craftsman must solely provide proof of the necessary knowledge and skills in the corresponding skilled craft profession. If the skilled craftsman provides proof of the necessary knowledge and skills, the skilled craftsman is issued a so-called authorisation to practise from the responsible chamber of skilled crafts. This authorises him or her to provide the corresponding services in the regulated trade. For example, a carpenter (*Zimmermann*) could apply for an authorisation to practise as a cabinet-maker (*Tischler*).

§7a Para. 1 German Crafts and Trade Code

- (1) Anyone who practises a skilled crafts profession under §1 will receive an authorisation to practise for a different trade in Appendix A or for significant activities in this trade if proof has been provided of the knowledge and skills necessary for this; in doing so his or her professional experiences and activities to date are to be taken into consideration.

Exemptions/ cases of hardship

In exemptions/cases of hardship, practicing/establishment of the profession can also be approved without a Master qualification.

An additional possibility to obtain an entry in the Register of Craftsmen is to apply for an exemption. To do so, in addition to the proven expertise, a reason for the exception must exist, meaning taking a 'Master' examination would be an undue burden for the applicant. The reasons can be manifold. Reasons for exception could be, for example, the practising of a definable special activity or also the advanced age of the applicant. The applicant must, however, provide proof of his or her practical and theoretical abilities. Moreover, knowledge in management is required.

§8 German Crafts and Trade Code

- (1) In cases of exception an authorisation for entry into the Register of Craftsmen (exemption) is to be issued if the necessary knowledge and skills are proven for the self-employed practise of the regulated skilled crafts profession to be practised by the applicant; in doing so his or her professional experiences and activities to date are to be taken into consideration. An exceptional case exists when the taking of a 'Master' examination at the time of the application or afterwards would mean an undue burden for him or her. An exceptional case also exists when the applicant has passed an examination based on a statutory regulation passed under §42 of this law or §53 of the Vocational Training Act.

[...]

'Operations manager' provision

Company owners are also able to establish a company without having a Master qualification. The company owner must solely have the necessary qualification.

As part of the amendment to the German Crafts and Trade Code in 2004, the so-called 'owner principle' was nullified. Through this, individual persons are also able to establish a company in regulated skilled craft professions – without having corresponding professional qualifications themselves. The company owner must solely hire an operations manager who has the necessary qualification. The foundation of the operations manager provision is found in §7 Para. 1 of the German Crafts and Trade Code and is additionally supported by §4 of the German Crafts and Trade Code.

§7 Para. 1 German Crafts and Trade Code

- (1) A natural or legal entity or a partnership is entered into the Register of Craftsmen as the owner of a company in a regulated skilled crafts profession, if the operations manager fulfils the requirements for entry into the Register of Craftsmen with the skilled craft to be practised or a related skilled craft. The Federal Ministry for Economic Affairs and Technology determines by means of statutory regulation with the consent of the Federal Assembly which regulated skilled craft professions are close enough to one another that the mastery of the one skilled craft profession enables the professional practise of significant activities in the other skilled craft profession (related skilled craft professions).

[...]

§4 German Crafts and Trade Code

- (1) After the death of the owner of a company, the spouse, life partner, heir, executor of the will, administrator, estate insolvency administrator or curator of the estate may continue to run the company without fulfilling the requirements for the entry into the Register of Craftsmen. They must ensure that an operations manager (§7 Para. 1) is appointed without delay. In cases of hardship, the chamber of skilled crafts can set an appropriate deadline when the proper running of the company is ensured.
- (2) After the departure of the operations manager, the owner of a company in a regulated skilled crafts profession entered into the Register of Craftsmen or his legal successor or other successor with the power of disposition must ensure a new operations manager is appointed without delay.

Recognition of qualifications and provision of short-term services as part of the EU/EEA Trade and Crafts Regulation (HwV)

The German Master qualification is not an absolute requirement for the provision of services in Germany and thus also not a barrier to the European single market.

On December 22, 2012 the “Directive on the applicable requirements to practise a regulated skilled crafts profession for citizens of a member state of the European Union or a different contractual state of the Agreement on the European Economic Area or Switzerland” (EU/EEA Trade and Crafts Regulation (HwV) came into effect. The directive serves the national implementation of [Directive 2005/36/EG on the recognition of professional qualifications](#). In addition to the recognition of professional experience, it also regulates the recognition of proof of the vocational training of foreign skilled craftsmen who want to have a permanent establishment in Germany. Moreover, it determines under which conditions a temporary and occasional cross-border provision of services is permissible domestically.

Recognition of professional experience

A permanent establishment in a regulated skilled crafts profession is also possible in Germany for persons from other European member states. Proof of necessary work experience is sufficient.

If a skilled craftsman from a different European member state wants to have a permanent establishment in Germany, the applicant must provide proof either of his or her professional experience or the equivalence of his or her qualifications. The responsible chamber of skilled crafts solely examines the vocational training content and possibly the professional experience of the applicant in individual proceedings. If the applicant fulfils one of the conditions under §2 EU/EEA Trade and Crafts Regulation (HwV) the exemption is issued directly. Alternatively, the qualification of the applicant is examined under §3 EU/EEA Trade and Crafts Regulation. If the vocational training acquired abroad is comparable to the German training, recognition of the qualification follows directly. If the vocational training acquired abroad displays considerable differences when compared to the respective German vocational training, the recognition can be combined with conditions. The acquisition of a ‘Master’ title is in no way necessary for citizens of other European member states to create a permanent establishment in Germany.



EU/EWR HwV in valid version

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§2 EU/EEA Trade and Crafts Regulation (HwV)

- (1) An exemption is given to anyone who possesses the necessary professional experience in the respective trade in terms of Para. 2 and 3. Sentence 1 does not apply to the trades listed in numbers 33 to 37 of Appendix A of the Crafts and Trade Code.
- (2) The necessary professional experience is possessed by persons who at least practised significant activity in the trade in a different member state of the European Union, a different contractual state of the Agreement on the European Economic Area or in Switzerland:
 1. At least six continuous years self-employed or as an operations manager, as long as the activity was not ended more than ten years before the application was submitted.
 2. At least three continuous years self-employed or as operations manager, if preceded by an at least three-year vocational education in the activity.
 3. At least four continuous years self-employed or as operations manager, if preceded by an at least two-year vocational training in the activity.
 4. At least three continuous years self-employed and at least five years as an employee, as long as the activity was not ended more than ten years before the application was submitted, or
 5. at least five continuous years in a managerial position at a company, out of which at least three years must be in an activity with technical tasks and with the responsibility for at least one department of the company, and if moreover an at least three-year

vocational training took place in the activity. This does not apply to the hairdressing trade (Number 38 of Appendix A of the Crafts and Trade Code).

- (3) Operations managers in the definition of Para 2 Nos. 1 to 3 are persons who work at a company in the corresponding trade:
1. As head of the company or a branch
 2. As deputy of an owner or head of the company when this position is combined with responsibility comparable with that of the person for whom they are the deputy, or
 3. in a management position with commercial or technical tasks and with the responsibility for at least one department of a company.

§3 EU/EEA Trade and Crafts Regulation (HwV)

- (1) The exemption is also issued subject to the appointment of equalisation measures under §5 when the applicant acquired the professional qualification in a different member state of the European Union, a different contractual state of the Agreement on the European Economic Area or Switzerland, which is the requirement there for the practise of at least a significant activity in the respective trade, provided the professional qualification is equivalent to the domestically required professional qualification, but at least corresponds to the qualification level under Para. 2. Proof of the professional qualification must be provided by presenting a vocational training certificate or certificate of proficiency.
- (2) The following qualifications meet the minimum required qualification level:
1. A completed school education at a general-education secondary school that is also supplemented with technical or vocational training, a required work stage accompanying the training course or practical work experience in the respective activity, or
 2. A completed school education at a technical or vocational secondary school, also in combination with technical or vocational training, a required work stage accompanying the training course or practical work experience in the respective activity in it.
- (3) The exemption is also issued when in a different member state of the European Union, a different contractual state of the Agreement on the European Economic Area or Switzerland, which does not require a specific professional qualification to practise the respective trade, the applicant acquired a professional qualification that at least corresponds to the qualification level under Para. 2, and practised there at least significant activity in the respective trade in full-time employment for a time period of at least two years. Times that date back to more than ten years before the submitting of the application will not be considered. Proof of the professional qualification must be provided by presenting a vocational training certificate or certificate of proficiency which attests that the applicant was professionally prepared to practise the respective profession.
- (4) The exemption is further issued when the applicant possesses the following professional qualification:
1. Completed vocational training that is listed in the respectively valid version in Appendix III of Directive 2005/36/EG of the European Parliament and of the Council of 7 September 2005 on the recognition of professional qualifications (OJ EU No. L 255 P. 22, 2007 No. L 271 P. 18), most recently changed by Regulation (EG) No. 1430/2007 of the Commission of 5 December 2007 (OJ EU No. L 320 P. 3), or
 2. Other state-regulated vocational training in the definition of Sentence 2 and 3 completed in a different member state of the European Union, a different contractual state of the Agreement on the European Economic Area or Switzerland that at least corresponds to the qualification level under Para. 2. Vocational training that is state-regulated is specifically directed at practising a specific occupation and is comprised of a completed vocational training course, also in connection with a work stage or practical work experience in the respective activity. The structure and the status of the vocational training, the work stage or the practical work experience must be defined in statutory provisions or administrative regulations or supervised or approved by a responsible government agency.

Short-term provision of services

Temporary, cross-border provision of services is possible for persons from other European member countries. The provision of services in a regulated skilled crafts profession solely has to be registered with

Already at present, the temporary cross-border provision of services is possible for persons from other European member states. The intended provision of services in regulated skilled crafts professions solely has to be registered with the responsible chambers of skilled crafts in writing.

the responsible chamber of skilled crafts.

The provider of services only has to prove with appropriate documentation that he or she fulfils the requirements of the EU/EEA Trade and Crafts Regulation (HwV).

Proof of lawful establishment in the skilled craft (or of the steady employment in the skilled craft) in an EU/EEA state or Switzerland is sufficient in principle. Only if the profession is not regulated in the state of origin and the applicant also did not complete state-regulated vocational training in the profession must the applicant also provide proof of two years' professional experience, self-employed or as operations manager.

The service provider must register the provision of services once before the first provision of services has taken place. The registration is valid for 12 months and can be repeated informally, if the continued provision of services is intended.

§7 EU/EEA Trade and Crafts Regulation (HwV)

- (1) The temporary and occasional provision of services in a skilled crafts profession in Appendix A of the German Crafts and Trade Code is permitted for citizens of different member states of the European Union, of a different contractual state of the Agreement on the European Economic Area or of Switzerland, who do not maintain a domestic commercial establishment, if they are lawfully established to practice comparable activities in one of these states. If the state where the establishment is located does not require any specific professional qualification to practise the respective trade and there is no state-regulated vocational training there in the definition of §3 Para. 4 No. 2 for the activities, then Sentence 1 only applies if the activities were practised for a minimum of two years in the state where the establishment is located and do not date back more than ten years.
- (2) If services are to be provided domestically for the first time in a skilled crafts profession in numbers 12 or 33 to 37 of Appendix A of the German Crafts and Trade Code, the responsible government authority may examine the professional qualification of the service provider before the provision of services, if under consideration of the specifically intended activity there would be a serious risk to the health or safety of the recipient of the services in the case of insufficient qualifications.

Recognition of qualifications as part of the Recognition Act

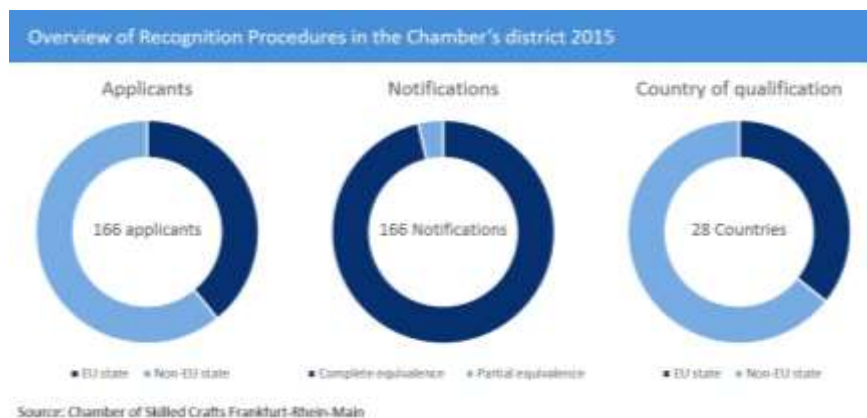
For the recognition of professional experience, the equivalency of the qualification is examined in individual proceedings – a German Master qualification is not necessary.

Since April of 2012, improved laws regarding recognition of professional qualifications exist in Germany under the [Federal Recognition Act \(BQFG\)](#). With that, the German Federal Government is implementing [Directive 2005/36/EC on the recognition of professional qualifications](#). In the time period between April 1, 2012 and December 31, 2015 in the professions in sole federal responsibility, 63,486 new applications alone were submitted for recognition. In the entire year of 2015, according to the [official statistics regarding the Recognition Act](#) in all regulated and non-regulated professions 17,112 decisions were issued. In the process, in the segment of regulated professions, in only 2.4% of the decisions was the equivalency not recognised. In 77.8% of the cases, the full equivalency was certified. In solely 19.8% of the cases was a compensatory measure required for complete recognition.

In Germany, the regional chambers of skilled crafts are responsible for the recognition of foreign professional qualifications in the skilled crafts sector. As the responsible entity for the skilled crafts sector in the Rhine-Main region, the Chamber of Skilled Crafts Frankfurt-Rhein-Main conducts the equivalency testing under the [Federal Recognition Act \(BQFG\)](#).

The responsible regional chamber of skilled crafts examines whether the foreign vocational qualification and the professional experience are equivalent to a German vocational qualification in skilled crafts. Three outcomes are possible at the end of the examination procedure:

1. If no considerable differences are determined, a so-called equivalency certificate is issued. With this certificate, the applicant can, for example, become self-employed in the certified skilled crafts profession. With that he has the same opportunities as with a German title of 'Master'.
2. If considerable differences have been determined, the chamber of skilled crafts portrays the existing professional qualification and describes the significant differences. The partial equivalence is certified by the chamber of skilled crafts. There exists the possibility to achieve full equivalence by means of equalisation measures.
3. If the foreign professional qualification in no way conforms to the German professional qualification, the chamber of skilled crafts has the possibility to reject the equivalence of the professional qualification.



In the region covered by the Chamber of Skilled Crafts Frankfurt-Rhein-Main, in the time period between January 1, 2015 and December 31, 2015, a total of 166 applications for recognition of professional qualifications were submitted. In 161 cases, full equivalency was certified. In an additional five cases, partial equivalency was determined. 39% of the applicants came from the European Union and had completed vocational training in ten different European member countries. In 61% of the decisions issued, the qualification was acquired outside of the European Union.

Final comments

The German Master qualification is not an absolute requirement for the provision of services in Germany and thus also not a barrier to the European single market.

German legislation regarding skilled crafts distinguishes itself via a high level of flexibility. The acquiring of the title of 'Master', contrary to manifold claims, portrays no barrier at all to the European market. Citizens of other European member states have a multitude of possibilities to provide services or create a permanent establishment in Germany in a regulated skilled crafts profession. A 'Master' qualification is not absolutely necessary to do so. Even German citizens can also become self-employed in a regulated skilled crafts profession without the title of



Information: „Keep the German Master Qualification in Europe“

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The Chamber of Skilled Crafts Frankfurt-Rhein-Main is one of the largest self-governing skilled crafts bodies of the economy and represents around 33,000 member enterprises.

‘Master’ (within the framework of the senior journeyman regulation, for example).

The existing formalities are absolutely sufficient and effective from the viewpoint of the Chamber of Skilled Crafts Frankfurt-Rhein-Main. A revision is thus neither necessary nor constructive according to the present assessment. Accusations that the ‘Master’ title serves to insulate the German domestic market are simply incorrect. For the German skilled crafts sector, it is solely about ensuring the existing level of performance, in terms of consumer protection.

About the Chamber of Skilled Crafts Frankfurt-Rhein-Main

As a self-governing body in the skilled crafts sector, the Chamber of Skilled Crafts Frankfurt-Rhein-Main represents the interests of SMEs in the Frankfurt-Rhine-Main region. With around 33,000 member companies in its region, the Chamber of Skilled Crafts Frankfurt-Rhein-Main is both one of the largest chambers of skilled crafts and one of the largest self-governing bodies of the German economy. With approximately 133,500 employees, our member companies have an annual turnover of around 12.2 billion Euro. The Chamber of Skilled Crafts Frankfurt-Rhein-Main offers its member companies a broad spectrum of support in running their enterprises. The portfolio of services includes, among other things, advising on the establishment of start-ups, advising and preparation of company successions and advising on investment decisions, financial matters and liquidity issues. Each year, approximately 9,000 young people are trained in around 5,000 companies providing training in the region covered by the Chamber of Skilled Crafts Frankfurt-Rhein-Main. The Chamber of Skilled Crafts Frankfurt-Rhein-Main is represented by its own office in Brussels.

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