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NOTE

From: General Secretariat of the Council
To: Delegations
Subject: Digitalising the Single Market and making it data-based
- Presidency discussion note

Delegations will find attached a Presidency discussion note on “Digitalising the Single Market and making it data-based”, with a view to the discussion by the Working Party on Competitiveness and Growth (Internal Market) at its meeting on 10 July 2025.

Digitalising the Single Market and making it data-based**WP Internal Market – Thursday, 10 July 2025, 10:00**

The Single Market Strategy¹ states that digitalisation needs to go hand in hand with simplification to enable the optimal functioning of the Single Market and to ensure effective and efficient implementation of policies. Digitalisation is key in removing barriers for the smooth and simple operation of businesses on the Single Market.

Many businesses and entrepreneurs still face difficulties when trying to access information and complete administrative tasks online. Even when digital procedures are available, complex laws, outdated data formats, and inefficient IT systems make it hard for citizens and businesses to comply with EU rules digitally.

As set out in the Strategy, this calls for a digital paradigm shift to move from burdensome manual sharing of (often paper-based) documents across a fragmented landscape of IT solutions that poorly interact with each other across closed and proprietary networks, towards a data-based and digital vision for European businesses where interoperable and secure data-based solutions enable automated and real-time sharing of data needed for business reporting.

The Strategy calls for embedding the digital-ready principle into policy design and implementation, making sure that EU regulations are digital-ready from the-get-go and that business requirements are designed to be digital, interoperable and streamlined. It is key to have businesses' existing data flows and IT systems top of mind to reduce the current burdens stemming from today's manual business-to-business data gathering, processing and sharing across fragmented systems available on the market. Enabling a seamless, interoperable, and digital Single Market will further enhance the smooth operations of businesses and increase their ability to fully harvest the advantages of the European Single Market.

¹ European Commission COM(2025) 500: The Single Market: our European home market in an uncertain world - A Strategy for making the Single Market simple, seamless and strong

The Commission will seek to promote the digital-ready principle, once-only principle, machine-readable and structured data formats and interoperability across IT systems to ensure the realisation of a data-based Single Market with a range of initiatives in 2025 and 2026.

Digital actions in the Single Market Strategy:

- Introduce the European Business Wallet for doing business simply and digitally in the EU (Legislative proposal Q4 2025)
- Roll out the EU Digital Identity Wallets across all Member States as a safe, reliable, and private means of digital identification for everyone in Europe (Q4 2026)
- Revise the Internal Market Information System (IMI) Regulation to streamline the procedure for expanding IMI to cover new areas (Legislative proposal Q4 2026)
- Digitalise declarations of conformity and certain other product documentation (Omnibus proposals together with the Strategy)
- Amend EU legislation to extend the use of the DPP as a digital container for product related information (part of the NLF revision, Q2 2026) and ensure its technical roll out
- Introduce digitalisation provisions in the revised legal framework for standardisation and public procurement (Q2 2026 and Q4 2026)
- Revise the acquis on e-Invoicing in public procurement turning the existing Directive into a Regulation and making the EU eInvoicing standard mandatory for public procurement (Q4 2026)

To ensure a common understanding and way forward from the offset of the implementation of the Single Market Strategy, we would like to focus the first discussion on the questions below.

First, we would like delegations to consider how we can realise the ambitions for a data-based Single Market. Here we encourage delegations to focus on the following questions:

- **In which areas do the delegations find the most potential for ensuring a paradigm shift from a document-based to a data-based Single Market?**
- **How do we ensure the right priorities and coherence of the proposed initiatives, in order to ensure a true paradigm shift and not just individual digital initiatives?**

Second, we encourage delegations to consider the potential barriers to deliver on the ambitions for a data-based Single Market and how to overcome them. Here we suggest the following questions for discussions:

- **What barriers do you initially identify to realise a data-based and digital Single Market?**
 - **What could be potential barriers in the long run, both in the public and private sector?**
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