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IMPACT ASSESSMENT REPORT

Accompanying the document

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on digitalising the coordination of social security systems, laying down a framework for the European Social Security Pass (ESSPASS) and amending Regulations (EC) No 883/2004, (EC) No 987/2009 and (EU) No 2018/1724

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Glossary

Term or acronym	Meaning or definition
AC	Administrative Commission for the coordination of social security systems
AHG	Ad Hoc Group of the Administrative Commission
DC4EU	Digital credentials for Europe
EAA	Electronic Attestations of Attributes
EESSI	Electronic Exchange of Social Security Information
eIDAS	Electronic Identification, Authentication and Trust Services
EHIC	European Health Insurance Card
ESSPASS	European Social Security Pass
EUDI	European Digital Identity
EUDIW	European Digital Identity wallets
ELA	European Labour Authority
GDPR	General Data Protection Regulation
OOTS	Once Only Technical System
SDGR	Single Digital Gateway Regulation
SDG	Sustainable Development Goals
SSC	Social Security Coordination

Introduction: Political and legal context

Free movement is one of the most valuable achievements of the single market and delivers significant benefits to Europe[1]**.** Over 55% of respondents to the Eurobarometer survey on intra-EU labour mobility perceive it as significantly benefitting European integration, labour markets and individuals' lives, while an even larger majority, 84% of respondents to the survey on European Union citizens and democracy, views its impact on their country's economy as favourable[2].

The social security coordination (SSC) regulations[3] **provide a crucial contribution to this freedom.** They ensure individuals retain access to social security benefits - such as pension, unemployment or family benefits - and healthcare when moving across borders, whether they are individuals living in one Member State and working in another, young people studying abroad, jobseekers in a new country, workers on temporary assignments, pensioners relocating, travellers in need of urgent medical care. These regulations do not harmonise national social security systems but determine which country's system a mobile person falls under, assuring that no person is left without coverage or subject to double coverage[4].

EU SSC rules encourage Member States to use digital technologies for the exchange, access and processing of data and to offer user-friendly services for individuals exercising their right to move freely across Europe[5]. While the **Electronic Exchange of Social Security Information (EESSI)**[6] enables faster, secure, cross-border exchanges of information among social security institutions, the exchange of data between individuals and administrations in cross-border scenarios remains cumbersome, often relying on paper-based procedures. To address this issue, the **European Pillar of Social Rights Action Plan** launched the **European Social Security Pass (ESSPASS) pilot project** to explore a solution facilitating individuals' exercise of social security rights across borders. Following the pilot phase, a legislative proposal for an ESSPASS has been announced in the Single Market Strategy and in the 2026 Commission Work programme, as part of the Fair labour mobility package.

The initiative responds to the European Parliament calls for an ESSPASS proposal (notably in its 2021 Resolution), follows up on the 2023 Commission's Communication on digitalisation in social security coordination, the November 2023 Council Conclusions, the Letta report on the future of the single market, which urges to advance on ESSPASS, and requests from the EU social partners[7]. It is part of the efforts to further modernise, simplify and digitalise cross-border social security, as outlined in Executive Vice-President Mînzatu's mission letter. These efforts

[1] European Parliamentary Research Service 2019, Mapping the Cost of Non-Europe, 2019-24 and Ritzen, J., Kahanec, M. & Haas, J. (2017). EU mobility. IZA Policy Paper, No. 125, Bonn: IZA Institute of Labor Economics.
[2] Eurobarometer surveys: 'Intra-EU labour mobility after the pandemic' - December 2022, and 'European Union Citizens and Democracy' – July 2020.
[3] Regulation (EC) No 883/2004 on the coordination of social security systems and Regulation (EC) No 987/2009 laying down the procedure for implementing Regulation (EC) No 883/2004. These Regulations also apply to Norway, Iceland, Liechtenstein and Switzerland. Specific rules are in place in the agreements with the United Kingdom.
[4] Current negotiations aim to revise certain aspects of these Regulations to achieve greater fairness, clarity, and ease of enforcement, COM (2016) 815 final.
[5] Articles 72 (d), 73 and 78 of Regulation (EC) No 883/2004 and 4 (3) of the Regulation (EC) No 987/2009.
[6] Articles 78 and 79 of Regulation (EC) No 883/2004 and Articles 2, 4 and 95 of Regulation (EC) No 987/2009.
[7] Several position papers, hearing of EU social partners of 6 November 2025 (see Annex 2).

support the Commission's goals for 2024-2029 to simplify processes and reduce burdens on businesses, individuals and national authorities. Moreover, they aim to ensure better enforcement and help relaunch Europe's competitiveness, in line with the Draghi report, the EU competitiveness compass and the 28th regime to help companies - notably start-ups and scale-ups - overcome barriers to operating across Europe, supporting growth, innovation and global competition. The initiative also contributes to the aim of fostering inclusive digital participation for all individuals in Europe[8] and facilitating seamless digital cross-border services, in line with the Digital Decade Programme and the target of 100% of key strategic services online by 2030[9].

Problem definition

Background (context and scope)

Free movement within the EU has become a fundamental aspect of life for many people, offering opportunities to live, work, or travel across countries. This freedom plays a significant role in the functioning of the single market, with approximately 14 million EU citizens living and/or working long-term in another Member State. In 2024, there were 1.9 million cross-border workers and 3.64 million posted workers.[10] Intra-EU tourism also flourished, with 250 million overnight trips recorded the same year[11]. Furthermore, numerous students and researchers are participating in programmes like Erasmus+[12].

For individuals moving within the EU confirming their rights to social security benefits and healthcare services is essential. Official forms exist to serve this purpose, covering several areas:

- nine **portable documents**, relevant for cross-border healthcare, unemployment benefits, accidents at work, occupational diseases, or attesting which country's social security legislation applies to individuals working across-borders[13].
- the **European Health Insurance Card** (EHIC) enabling access to medically necessary, state-provided healthcare during temporary stays in other EU countries.

In 2024, more than 8 million portable documents and almost 40 million EHICs were issued[14], whereas the total number of EHICs in circulation was 256 million[15].

While the initiative aims to potentially cover all portable documents and the EHIC, the analysis and findings in this impact assessment primarily focus on portable document A1 and the EHIC

[8] European Declaration on Digital Rights and Principles.
[9] Europe's Digital Decade | Shaping Europe's digital future.
[10] Intra-EU Labour Mobility Report 2025.
[11] Tourism statistics - Statistics Explained - Eurostat.
[12] Erasmus+ annual report 2024 - Publications Office of the EU. Almost 1.5 million people went on an Erasmus+ mobility in 2024.
[13] The content of these forms has been defined by the Administrative Commission (AC) for the coordination of SSC. For more details on portable documents and their use, see Annex 7.
[14] This does not account countries, like Germany and Italy, where the EHIC is automatically issued to all insured individuals.
[15] Facts and figures on intra-EU labour mobility and EU social security coordination. The public consultation found that 86% of respondents were familiar with these documents to some or a high extent, with the EHIC having the highest level of familiarity (81%). See Annex 2.

due to their successful piloting, which has already confirmed the feasibility, relevance and added value of digitalising their procedures[16], making them the starting point for a phased rollout of the initiative (see section 5.2).

What is the problem?

There are **barriers for individuals (including the self-employed and those active in two or more countries) to swiftly and reliably prove their social security rights and insurance status across Europe, for businesses to easily comply with requirements when posting workers**, and **for social security institutions, labour inspectorates[17] and healthcare providers to efficiently and securely verify** the authenticity (originating from an authorised institution), integrity (unaltered) and validity (neither expired nor revoked) of relevant **documents**. See an illustrative case below[18].

> Gabriela, an EU citizen from Slovenia, is going on vacation to Spain. Before her trip, she has to request the EHIC card from her Slovene health insurance institution well in advance so that it arrives by post on time. If the card is delayed, she can require a Provisional Replacement Certificate.
>
> During her holiday Gabriela has an accident and needs urgent medical treatment. She presents her plastic EHIC at the hospital. Gabriela gets the treatment, but the EHIC is not accepted because the hospital has doubts on her insurance status. She has to pay up-front and once back at home asks her Slovenian insurance for reimbursement. This results in additional time spent, potential delays and hurdles in recovering the sums due.

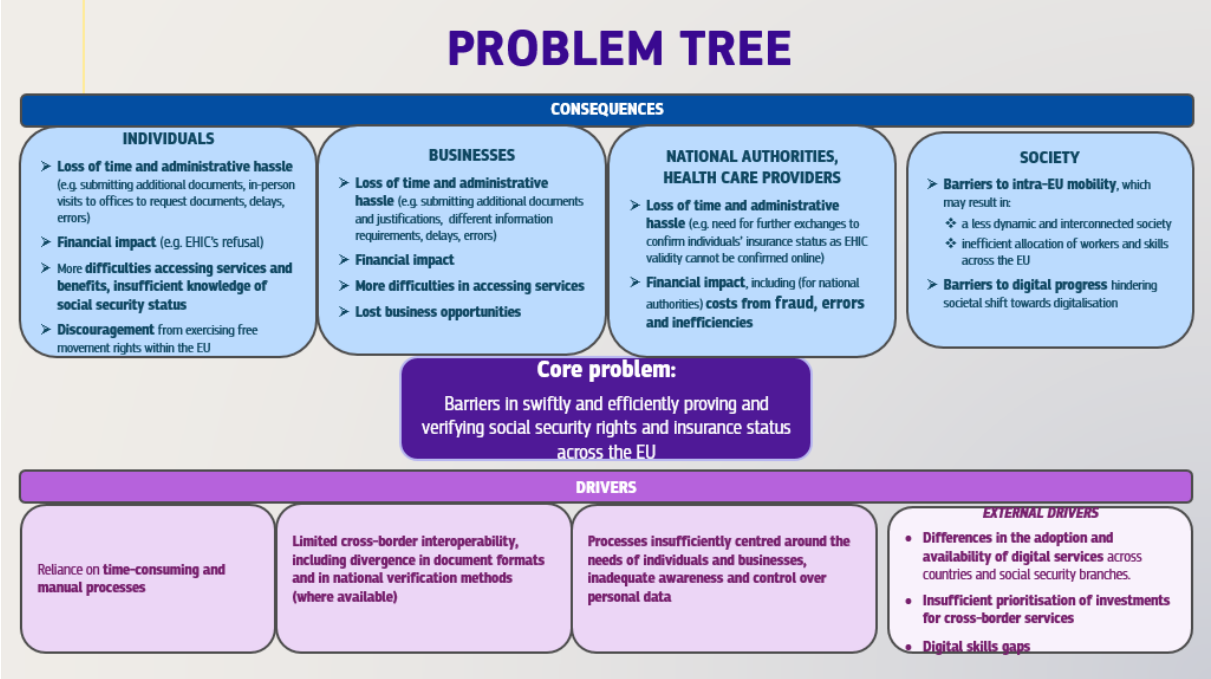
Extensive data collection has been conducted to estimate the size of the problem, also as part of a study on digitalisation in SSC. This involved gathering information from various sources, such as the annual statistical reports on SSC[19] and several databases and resources from the Commission, like SOLVIT and Your Europe Advice. Additionally, relevant literature was reviewed, and consultations were conducted with experts, national authorities and other stakeholders, including through the Implementation dialogue on fair labour mobility, the yearly high-level meeting on digitalisation in SSC and a hearing with EU social partners (Annex 2). Insights were further enriched through surveys focusing on the problems and impacts of ESSPASS, a public consultation, findings from the ESSPASS pilot activities[20]. Collectively, these efforts have provided evidence confirming both the existence and magnitude of the problem and helped estimate the consequences. However, estimates are subject to several limitations[21]. For instance, the extent of individuals experiencing problems is likely underestimated, as official data only reflect the experiences of those who were willing and able

[16] See Annex 10 on ESSPASS pilot activities in 2021-2025. National authorities support this roll-out approach, as expressed during regular meetings of the AC and Technical Commission and reiterated in the responses to the call for evidence. See section 0.
[17] For ease of reading, the term 'labour inspectors' is used throughout the report to encompass all actors responsible for the verification of portable document A1.
[18] See Annex 8 for examples of stakeholders' challenges.
[19] Facts and figures on intra-EU labour mobility and EU social security coordination - Employment, Social Affairs and Inclusion.
[20] For a description of the main challenges identified by one of the pilot projects: Grech, A. and Farkas, K.G. (2026). Beyond DC4EU. Advancing European Digital Identity through Trust Frameworks, Education and Social Security Pilots. www.dc4eu.eu/reports.
[21] See Annexes 4 and 9 for a detailed presentation of methodological aspects.

to report them. Additionally, the reporting of problems in certain areas, notably fraud, involves only a limited number of Member States providing estimates[22].

The problem tree (Figure 1) illustrates the relationship between the problem drivers, problem and the resulting consequences for different groups and society.

Figure 1. Problem tree



The identified **problem results in various negative consequences**, the most significant of which are presented in this section, with more details, including on methods, in Annex 9.

Individuals and businesses

Current obstacles in requesting and obtaining portable documents and the EHIC[23] lead to **inconvenience and delays** due to processing or postal delivery, and in some cases **requests or renewals must even be made in person**[24].

Businesses with employees, or self-employed, on temporary assignments abroad must **allocate time, personnel and finances** to manage paperwork and procedures related to portable document A1 with different information requirements across EU countries[25]. This necessitates

[22] Fraud and error in the field of social security coordination and the European Labour Authority's study on Fraud and error and selected issues in the field of social security coordination.
[23] Delays and difficulties in obtaining the documents emerged as the most reported issue in the public consultation among respondents who had encountered difficulties (see Annex 2).
[24] See section 0, first problem driver. EU individuals from ten different Member States reported in the public consultation that they had to visit national authorities in person to renew documents, highlighting persistent inefficiencies in renewal procedures.
[25] See Annex 7. The A1 form needs to be requested by companies sending employees to work temporarily abroad (i.e. posted workers) or self-employed. Business Europe reported that various procedures and different information requirements create unnecessary red tape for businesses operating across borders: 2025-01-22_businesseurope_mapping_of_regulatory_burden-d55-1.pdf.

expertise and effort from internal human resources or global mobility teams. **Smaller businesses**, lacking dedicated international departments, **find these demands particularly burdensome**[26]. Specifically, businesses report that **obtaining the A1 form, while simultaneously meeting posting declaration requirements**[27] **is costly**. They suggest exploring technical synergies between these procedures to reduce redundancy and enhance legal certainty, while facilitating enforcement[28].

Obstacles and delays in receiving portable documents can prevent timely access to benefits and essential services and restrict business operations across borders. Specific challenges were for instance reported in obtaining:

- the portable document U1, impeding timely calculation of unemployment benefits for mobile workers.
- the portable document A1, which may leave businesses and workers vulnerable to fines for failure to present the document during inspections[29], disrupt operations[30] and create uncertainty for those needing to relocate, secure housing, and arrange travel[31], as well barriers to accessing national healthcare systems in the host countries during long-term postings[32].

[26] During the hearing of the EU social partners (see Annex 2), SME Europe highlighted the administrative burdens, especially for SMEs, due to the different social security systems across the Union. Among the 31 respondents to the public consultation representing companies and business associations, 45% considered that SMEs, start-ups and scale-ups are more affected by the administrative burden than larger businesses. This was highlighted by respondents including Pearle, Confindustria (Italy), International Road Transport Union, International Transport Danmark and Handwerkskammer Koblenz (Germany).

[27] Businesses need to submit a declaration to the host country, when required by national legislation (Article 9 (1) (a) of Directive 2014/67/EU). A proposal for a public interface, COM (2024) 531, is under negotiation. Administrative requirements for posting operations have been identified as a major barrier to the single market: Single Market Enforcement Taskforce, Report 2023-2024 and Single market strategy, COM (2025) 500.

[28] Feedback from the hearing with EU social partners and several position papers.

[29] Emphasised by Pearle, the European federation of music and live performance organisations, as well as by other associations in the transport sector (International Road transport Union and Transport en Logistiek Nederland). Some EU countries, like France and Austria introduced administrative fines. However, people shall not be fined if they can prove that an A1 form request has been submitted before the inspection.

[30] In response to the call for evidence, Ceemet noted that in certain countries it is nearly impossible to obtain an A1 form or can take several months before a decision is made by the issuing institution. Some respondents to the public consultation for instance reported that urgent short-term assignments (e.g. emergency repairs or production line breakdowns) are particularly disrupted when the document cannot be issued in time. Similarly, stakeholders from the logistics sector reported that freight forwarders and logistics companies operate in fast paced, short notice environments, where they need rapid digital delivery and verification of portable documents to deploy staff efficiently. When A1 forms are not available quickly, consignments may be delayed at borders or during roadside checks, disrupting supply chains and generating additional costs for both operators and their clients. For live performing artists, speed to obtain portable documents are crucial to avoid losing business opportunities.

[31] See Beyond-DC4EU-Final-Report-January-2026.pdf.

[32] Many workers may be required to have an A1 form when requesting an S1 form, which certifies the entitlement to healthcare when living in a country different from the one of insurance. In the construction sector, posted workers are disproportionately affected by workplace accidents and thus need the swift and digital issuance of their portable documents to be able to easily access urgent healthcare.

These issues have been recognised as **major barriers to a seamless EU single market**[33]. Difficulties tend to be acute for individuals daily crossing borders for work, as even minor delays can significantly disrupt their access to benefits compared to other workers[34].

Workers on temporary assignment abroad (posted workers) are often not informed about their employers' request of a portable document A1, leaving them **without crucial knowledge of their social security affiliation**[35]. This lack of transparency has been a major source of critique of the current *status quo*[36]. Moreover, this gap in information **creates vulnerabilities to fraudulent practices**, as workers are unable to verify the arrangements made regarding their social security status [37].

For verification processes in other Member States, annual lost time for individuals is estimated between 65,000 and 217,000 hours due to checks related to portable document A1[38], 68700 to 171 600 hours for the EHIC, and 51,600 hours for the other portable documents[39]. Challenges and associated lost time are exacerbated when there are doubts regarding documents' authenticity, integrity and validity, requiring additional exchanges between host authorities and institutions in the issuing country, or leading to non-acceptance of documents[40].

The **individuals whose EHICs are refused** must pay for their treatment immediately and later request reimbursement in their countries of insurance[41]. In 2024, 14 countries[42] reported

[33] In 2024, SOLVIT handled 242 cases in France, 62 in Cyprus, 58 in Germany related to U1 form issuance delays, as well as cases on delays in A1 form issuance (e.g. in Romania). Cases were also reported via the Your Europe Advice reports. Respondents to the ESSPASS public consultation considered delays as a major issue.

[34] Report EU Border Regions: Living labs of European integration.

[35] Insufficient information or awareness among mobile persons about their rights and the legislation that applies to them in cross-border situations was ranked by public consultation's respondents as second among the four situations contributing to difficulties to proving social security rights across borders (see Annex 2). The European Transport Workers' Federation reported challenges for transport workers to know whether they are insured, under which jurisdictions, for which exact periods, and to which Member State they can turn in order to claim their social security rights and benefits.

[36] Garben, S., 2023, The European Social Security Pass (ESSPASS), publication for the Committee on Employment and Social Affairs, Policy Department for Economic, Scientific and Quality of Life Policies, European Parliament, Luxembourg; Houwerzijl, M., 2015, A Hunters Game: How Policy Can Change to Spot and Sink Letterbox-Type Practices; Houwerzijl, M. (2018): 'Improving cross-border social security', in: Buelen, W. (ed), Putting an end to cross-border social security fraud and abuse, European Federation of Building and Woodworkers.

[37] 2023 ELA study on construction issues: Dutch labour inspectors noted recurrent instances where posted workers were unaware of A1 form. This suggests that their employers were likely withholding this information fraudulently. During the hearing with social partners, ETUC emphasised that more transparency is needed to help workers be better aware of their status.

[38] See Annex 9, table 4 on the number of portable document A1 checked annually and table 9 on the time spent. 81 % of respondents (131 out of 162) to the public consultation reported that current challenges result in lost time and administrative hurdles for individuals.

[39] See Annex 9.

[40] In response to the public consultation, the European Cabin Crew Association (EurECCA) highlighted that the verification of security position remains largely dependent on ex post administrative exchanges between institutions.

[41] This was one of the main challenges reported in the public consultation by those who encountered problems with the EHIC.

[42] Directorate-General for Employment, Social Affairs and Inclusion, Publications Office of the European Union, 2026, Cross-border health care - reference year 2024. CZ, DK, DE, EE, FR, HR, IT, LU, HU, AT, PL, SK, SE, and CH.

domestic EHIC refusals by healthcare providers and 18 countries[43] identified similar issues abroad. Causes included doubts about EHIC validity, lack of knowledge of procedures, unreadable cards and format issues, language barriers, and missing information. It is estimated that around 42,000 EHICs were either not accepted or missing at the point of care in 2023, resulting in individuals having to pay upfront healthcare costs totalling EUR 3.4 million[44]. While costs are eventually reimbursed, the funds recovery process creates **difficulties and expenses**, due to the necessary administrative interactions, time-consuming procedures[45] and hidden fees, like courier services. Delays in receiving reimbursements may cause cash flow problems and financial distress for individuals, especially for expensive treatments[46].

Businesses also face **indirect financial pressures** when issues with the portable document A1 arise during inspections[47]. Feedback from the Digital Credentials for EU (DC4EU) project[48] indicates that during verification of the A1 form, posted workers are often not allowed to continue performing their duties. While the cessation of activities may not occur for every instance, if work would have to be stopped, the resulting labour costs are estimated to total between EUR 1.2 and 4.2 million annually[49]. Additionally, businesses may need to provide extra documents and information[50].

National authorities and healthcare providers

It is estimated that the **visual inspection of portable document A1** alone accounts for 65 000 to 217 000 hours annually (total EU), costing labour inspectorates between EUR 1.4 to 4.7 million[51]. For other portable documents, this is estimated at EUR 1.36 million[52]. Meanwhile, checks on EHIC require 68 000 to 172 000 hours resulting in costs of around EUR 2.2 to 5.6 million for healthcare providers each year[53]. These estimates do not include the time required for additional exchanges with issuing countries in case of doubts on documents' validity, with waiting time for receiving information ranging from hours to months[54].

[43] Ibid. CZ, DK, EE, EL, ES, FR, HR, IT, LU, HU, MT, NL, AT, PL, SI, FI, SE, and CH.
[44] See Annex 9, table 17. Data from the statistical report on Cross-border healthcare in the EU under social security coordination, reference year 2023.
[45] The problem was raised by the Ad Hoc Group (AHG) of the AC on the digitalisation of the EHIC.
[46] The Your Europe Advice reported a case of an individual unable to pay the amount upfront, but the insurance institution would only reimburse after payment.
[47] Almost half (46%) of the respondents to the public consultation representing business associations and companies (14 out of 31) reported that doubts regarding the validity of the portable document A1 during inspections created moderate to major problems, including delays, lengthy waiting times and operational disruptions.
[48] See Grech, A. and Farkas, K.G. (2026) Beyond-DC4EU-Final-Report-January-2026.pdf. This was confirmed by national experts during interviews as part of the Study on digitalisation in SSC.
[49] See Annex 9.
[50] 69% of respondents to the public consultation reported that overall current problems in proving and verifying social security rights across borders create administrative burdens for companies.
[51] Ibid, table 10. Ranges reflect the minimum and maximum time needed for checks across Member States (which vary from 5 to 16 minutes), and the assumed number of portable document A1 checked per control.
[52] Ibid, table 7.
[53] Ibid., table 14. Ranges reflect the minimum and maximum time needed for checks across Member States (which vary from 2 to 5 minutes).
[54] Stakeholders interviewed as part of the study on digitalisation, notably social security institutions from five Member States. Healthcare providers, labour inspectors and national authorities respondents were asked whether they had experienced any difficulties over the previous three years. Overall, 50% (22 out of 44) reported that they

Beyond direct financial impacts, **inefficiency damages reputation of national authorities and healthcare providers**. Slow service delivery erodes trust that individuals and businesses place in cross-border public services[55].

Additionally, difficulties in proving and verifying social security rights and insurance status **increase the risk of errors, fraud**[56] and **misuses**. Based on Member States and experts' feedback[57], critical issues were identified:

- **Manual entry of information from portable documents or the EHIC into IT systems resulting in data discrepancies and errors**, which can lead for instance to failure to identify individuals, with adverse effects on the EHIC reimbursement procedures[58].
- Presentation of **counterfeit or altered physical documents** to fraudulently claim benefits[59], with estimates of 0.1% to 1% of portable documents[60] – equivalent to 3 500 to 35 000 cases – and about 2 000 to 20 000 EHICs which may be falsified annually. This could lead to annual costs of about EUR 7.5 million specifically for portable document A1 and from EUR 1 to 10 million for EHIC[61].
- **The misuse of EHICs** no longer valid as the holder's insurance coverage has ended (fraud and errors)[62], **resulting in further procedural steps** for the EHIC issuing countries, which must cover costs and then ask for refunds[63].
  In 2024, rejections of reimbursement claims were also reported by a high number of countries, mostly due to invalid EHICs at the time of treatment or missing information[64].

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had encountered such difficulties, with healthcare providers reporting challenges in verifying insurance status. 75 % of respondents to the public consultation reported that current challenges generate administrative burdens for national authorities, healthcare providers and labour inspectorates.

[55] In a survey conducted by the DC4EU pilot project, a Spanish healthcare provider indicated that introducing instant EHIC verification would enable immediate treatment with confidence in coverage. It would eliminate uncomfortable interactions, where patients are asked to call their home country's insurance while waiting in the emergency room.

[56] Directorate-General for Employment, Social Affairs and Inclusion, Publications Office of the European Union, 2025, Fraud and error in the field of social security coordination. Fraud is underestimated, as only a few countries provide data, particularly quantitative data.

[57] Workshop with experts in the context of the study on digitalisation in SSC.

[58] In a survey conducted by DC4EU pilot project, a hospital billing department in Germany reported that manual data entry from physical cards creates errors in 15- 20% of cases, leading to reimbursement delays that can take months to resolve.

[59] This was raised by five labour inspectorates (IT, DE, ES, RO, BE) and eight social security institutions (two institutions in DE and BE, SK, CZ, LT, FR) interviewed as part of the study on digitalisation. In response to the call for evidence, social partners (ACV–CSC, Confederation of German Employers' Associations, BDA, and EFBWW) noted that withdrawn or invalid documents remain practically indistinguishable from valid ones, which stakeholders link directly to fraud risks (Annex 2).

[60] See Annex 9. These refer to portable documents A1, S1, S2, U1 and U3. The percentages are assumed based on available data.

[61] Ibid.

[62] See the report on fraud and error: DK, EL, MT, RO, SI, FI, NO, and UK reported inappropriate use, with four of them able to quantify these issues. In a survey conducted by DC4EU pilot project, an Italian emergency department noted that there is no way to confirm EHIC validity without calling the issuing country, something impractical during emergencies. Digital verification would mitigate fraud risk, ensuring swift treatment. This issue was also highlighted by the AC AHG on EHIC digitalisation.

[63] This create issues which are being discussed by the Audit Board of the AC dealing with cross-border healthcare reimbursement.

[64] See the report on Fraud and error. Twenty countries (CZ, DK, DE, ES, FR, HR, IT, LV, LT, HU, AT, PL, PT, RO, SI, SK, FI, SE, LI, and CH) indicated that invoices were rejected by their institutions, while 22 countries (CZ,

These rejections create **administrative hurdles** for hospitals and both administrations involved in recovering the sums due, causing potential financial losses for the host country or delaying payments and subsequent problems in reimbursing individuals[65].

Society

The **identified problem contributes to creating barriers to intra-EU labour mobility**, reducing its attractiveness for individuals pursuing personal and professional development. This effect tends to be more visible in cross-border labour markets where commuting decisions are highly influenced by administrative barriers[66]. The Draghi report[67] emphasises that fears of losing access to social protection or facing difficulties accessing social security in other Member States[68], discourages individuals from relocating - even though EU legislation ensures the portability of social security rights. As the Letta report[69] shows, existing obstacles restrict mobility to a small segment of population. Additionally, the impacts of **some of the requirements and complexities discourage the free movement of services** within Europe[70], potentially limiting business opportunities. These barriers **undermine the dynamism of the single market and compromises Europe's ability to remain competitive**, generate employment and foster economic growth. Research indicates that intra-EU labour mobility increases productivity, optimises resource allocation, alleviates shortages and drives innovation[71]. The 2026 single market and competitiveness report also emphasises that **insufficient cross-border digital services, persistent mobility and regulatory challenges are detrimental to SMEs and hinder European economic expansion**[72]. They jeopardise the digital single market's objective of achieving seamless integration and a smooth societal shift into the digital era.

What are the problem drivers?

Several drivers contribute to the identified problem, each distinct yet interrelated. They relate to current procedures for requesting, issuing and verifying portable documents and the EHIC and are primarily linked to legal shortcomings rather than implementation issues. In particular,

DK, DE, IE, EL, ES, FR, HR, IT, LV, LT, HU, AT, PL, PT, RO, SI, SK, FI, SE, NO and CH) by institutions in other countries. Key reasons included: coverage period gaps, wrong personal identification numbers, incorrect treatments dates, missing EHIC ID number, insufficient EHIC information, duplicate claims and lack of insurance coverage. 11 countries were able to quantify: total rejection rates for claims issued and received were approximately 4.4% and 4.3%, respectively.

[65] Ibid.

[66] Removing 20% of existing obstacles could boost the border regions GDP by 2% (91 billion euro), potentially creating over a million jobs. See the study: 'Quantification of the effects of legal and administrative border obstacles in land border regions'.

[67] Draghi report: In-depth analysis and recommendations (Part B), page 265.

[68] 65% of respondents to the public consultation reported that current problems in proving and verifying social security rights across borders foster fear of losing social security rights when moving or working in another Member State.

[69] Much more than a market, page 102.

[70] The administrative hurdles linked to procedures for posting of workers are considered one of the most significant obstacles preventing businesses from expanding across Member States, 2025 Single Market Strategy 2024. See also SMET report, page 12.

[71] A comprehensive review of existing literature and various technical reports substantiates this analysis of labour mobility's positive impact on the economy, see Communication on the fair labour mobility package.

[72] It is estimated that harmful barriers still result in a 20% productivity gap compared to the United States.

there are regulatory gaps, as the detailed procedural steps are to a large extent left to Member States, which can result in divergent practices and inconsistencies across the Union.

1. **Reliance on time-consuming and manual processes**

Representatives from social security institutions and experts from the pilot projects confirm that **current procedures remain slow**[73]. This is particularly relevant for non-digital procedures, though even when digital systems exist, they often remain time-consuming due to **reliance on physical paperwork and manual data checking**.

While the **online request** for A1 forms and the EHIC is widely accessible[74], as required by the Single Digital Gateway (SDGR) Regulation[75], the **digitalisation of the request and issuance** for other portable documents is still comparatively limited, as illustrated in Annex 7. Portable documents U1, U2 and S1 show moderate levels of online access. The least digitally accessible documents are S2, S3 and DA1, with only a few countries providing digital services for them[76].

Significant variations in document issuance speed exist across the EU for the EHIC and the portable document A1. EHIC delivery times vary considerably; countries like Cyprus and Austria average 0 - 4.5 days, whereas others, such as Germany and Luxembourg, exceed 11 days[77]. This is also due to postal shipping of plastic cards, which can be delayed or lost in transit[78].

Whereas automated systems for portable document A1 streamline operations in certain countries (like Austria, Belgium, Germany, France, Finland and Slovakia), others continue to experience prolonged processing periods that extend for 2-3 weeks (Hungary, Lithuania, Czechia, Portugal and Denmark) or longer (such as in Bulgaria, Sweden, Norway, and Poland for complex cases). Institutions reporting high automation (28% of institution, covering 24% of A1 forms) typically issue 50-80% of certificates automatically using deterministic, rule-based checks. The remaining institutions report either no automation (34%), moderate (22%, covering 57% of A1 forms) or limited automation (16%, covering 9% of A1 forms). In terms of administrative workload faced by institutions, scores range from a low of 0.09 in Luxembourg to a high of 0.90 in Bulgaria, averaging 0.46. For applicants, scores range from 0.11 (lowest, Spain) to 0.79 (highest, Latvia), averaging 0.34 (e.g. Italy, Denmark and Luxembourg)[79].

[73] In particular, representatives of social security institutions from Belgium, Croatia, Denmark, Latvia, Greece, the Netherlands, Czechia, Romania, Ireland and Spain were concerned about the time-consuming nature of manual verification processes (survey conducted as part of the study on digitalisation). See also Beyond-DC4EU-Final-Report-January-2026.pdf.

[74] See ELA report on overview and analysis of Member State A1 forms. Fully online application processes are standard in 79% of institutions (89% of A1 forms). See Digital Decade 2025: eGovernment Benchmark 2025 for the EHIC digitalisation.

[75] Article 6 and Annex II of Regulation (EU) 2018/1724.

[76] Annex 7, tables 4 and 5. See also ELA, National cross-border digital tools and services in the field of EU social security coordination.

[77] Cross-border healthcare - reference year 2023.

[78] Beyond-DC4EU-Final-Report-January-2026.pdf.

[79] See ELA report on portable document A1 tools (to be published). Higher score indicates greater administrative workload. Scores are based on elements such as complexity of required information, portal usability, automation or verification effort. They are normalised to a scale from 0 to 1 across all 32 national institutions observed.

The **verification of portable documents and the EHIC** is also largely **reliant on manual processes**, typically involving the visual inspection of information they contain and the identity of the holder[80]. In the case of EHIC, healthcare providers visually inspect the card and then manually input patients and EHIC data into their systems for processing[81] and send copies of the EHIC and ID cards for reimbursements, with some providers still using postal mail for this purpose.

For portable document A1, some EU countries have moved towards less manual approaches for verifications[82], developing layered systems that combine information received from the EESSI system, online verification portals (Spain, Norway, Poland and Portugal), exchanges with home countries via the Internal Market Information (IMI) system, secure e-mails and administrative cooperation platforms. However, these tools do not allow for instant verification and are consequently often time-consuming[83]. Moreover, significant divergences among countries[84] have resulted in a fragmented landscape, inconsistencies and disparities in how effectively each country validates the portable document A1.

Stakeholders identified the lack of automatic verification as an obstacle of high or very high relevance, notably regarding portable documents S1, A1 and EHIC procedures[85].

2. **Limited cross-border interoperability, including divergence in document formats and in national verification methods (where available)**

Another key driver that makes proving and verifying social security rights and insurance status difficult, as highlighted by stakeholders, is the **limited standardisation**[86] **and interoperability**[87] – at different levels - between the national systems managed by social

[80] Healthcare providers, labour inspectors and national authorities' respondents to the public consultation were asked to rank three factors contributing to verification challenges. Reliance on physical documents without digital verification features and on manual processes was ranked as the main challenge, closely followed by the lack of an EU standard enabling real-time digital verification of social security coordination documents and insurance status.

[81] Healthcare providers responding to the ESSPASS public consultation considered this a time-consuming process that delays patient care and also increases the risk of errors and delays in reimbursement.

[82] Ibid. and Annex 9.

[83] Authorities in the home countries must process a growing number of inquiries from the host countries, via IMI, with a limited number of staff, see Between the cracks: third-country posted workers. The issue of delays in replies from national authorities regarding the validity and authenticity of the portable document A1 was also pointed out in the public consultation.

[84] See ELA report on portable document A1 tools.

[85] About 60% of respondents (45 out of 76 replies) of the digitalisation study's survey. This was also confirmed in interviews, including with labour inspectors and in the call for evidence. Trade Unions (European Federation of Building and Woodworkers, EFBWW, and 3F) further reported that labour inspectorates cannot verify authenticity or validity, undermining enforcement effectiveness.

[86] The lack of common standards is one of the most frequently cited barriers to data sharing. OECD (2019). Enhancing Access to and Sharing of Data: Reconciling Risks and Benefits for Data Reuse across Societies. This was confirmed by 91.5% of the respondents the 2020 public consultation for the European strategy for data.

[87] According to the Interoperable Europe Act, cross-border interoperability refers to the capacity of public sector bodies to interact with each other across borders by sharing data, information through digital processes in line with the legal, organisational, semantic and technical requirements related to such cross-border interaction. Interoperability beyond EESSI - which cover only exchanges between social security institutions - is low, see ELA (2025), National cross-border digital tools and services in the field of EU social security coordination.

security institutions, labour inspectorates, and healthcare providers[88]. The portable documents and the EHIC are produced in sometimes **various formats across EU countries**, typically as physical documents, such as plastic cards for EHIC, paper forms, or PDFs and are not uniformly verified within Europe, due to poor cross-border coordination and lack of common rules. For instance:

- Most Member States issue the portable document A1 as a PDF without verification capabilities[89], and only few have introduced non standardised verification features, such as nationally defined QR codes (France, Croatia and Slovenia)[90].
- The EHIC is primarily issued as a plastic card without electronic features. A handful of countries, like France and Italy, have introduced the possibility of receiving electronic versions, but these are generally not used in other countries, as the physical card remains the only accepted format across Europe, based on the specifications outlined in AC decisions[91].

The existence of various and non-standardised verification approaches forces users to adapt to the different requirements and capabilities of each Member State's system, leading to inefficiencies, confusion and varying levels of security[92]. The eGovernment Benchmark 2025 highlights that **interoperability barriers are a major obstacle to efficient e-government in Europe.** Limited cross-border interoperability hinders countries from optimising administrative processes, efficiently allocating resources, and delivering seamless services to individuals and businesses, ultimately affecting the overall performance and effectiveness of public administrations[93].

3. Processes insufficiently centred around the needs of individuals and businesses, inadequate awareness and control over personal data

Current procedures are insufficiently considering users (the '**user-centric approach'**). Instead of being intuitively designed around the needs and experiences of individuals and businesses, these processes are often cumbersome and difficult to navigate. Most national online portals do not sufficiently incorporate features like data pre-filling, real-time status tracking, once only principle, bulk request options to reduce applicant workload, nor provide multilingual support to enhance accessibility[94]. Barriers persist, as also evidenced by the impossibility, in some

[88] 75 % of respondents (57 out of 76 replies) considered this of high (40) or medium relevance (survey as part of the study on digitalisation). Moreover, 80% of respondents to the questionnaire for the Conference on digitalisation of social security coordination and labour cards believed that more investments were needed in cross-border interoperability and automation.
[89] In response to the call for evidence on ESSPASS, BDA and EFBWW argued that static formats prevent reliable authenticity checks.
[90] The SDG Regulation provides Member States the flexibility to choose their own output format, while still adhering to certain requirements (Article 6).
[91] Technical specifications of the EHIC are defined in Decisions S1 and S2 of the Administrative Commission.
[92] Interviewed labour inspectors also stressed that the effectiveness of national solutions highly depends on the knowledge available across EU.
[93] See the Commission Staff working document Impact assessment report accompanying the document Proposal laying down measures for a high level of public sector interoperability across the Union (Interoperable Europe Act), SWD/2022/721 final.
[94] For portable document A1, see ELA report on digital tools.

cases, to access social security services using foreign identification means[95]. End users often need to repeatedly submit the same documents or data to different institutions in different countries, making procedures time-consuming, inefficient and leading to unnecessary hurdles[96].

Individuals are often inadequately informed or excluded from processes impacting them, notably in instances where posted workers remain unaware of actions taken by their employers, such as requesting the portable document A1 (see section 0).

Despite efforts to improve awareness[97], stakeholders have also highlighted insufficient understanding of the various procedures among individuals[98] and businesses, particularly SMEs and the self-employed[99].

External factors influence and reinforce the problem identified, although they remain outside the direct scope of the initiative, notably:

- **Differences in the adoption and availability of digital services**. Digital maturity in SSC beyond the EESSI system is highly fragmented[100], with disparities emerging not just among countries, but deeply within and between the various branches of social security. This imbalance is driven by varying levels of cross-border demand, the complexity of the services involved, and specific national incentives. For instance, pension services tend to be more digitally advanced due to their extensive usage and importance in cross-border scenarios.
- **Insufficient prioritisation of investments by Member States in cross-border services and uneven allocation of resources**. Governments naturally prioritise domestic public services over cross-border ones, especially during periods of budget constraint.
- **Uneven digital skills among administrative personnel** across Member States.
- **Persistent individuals' digital skills gaps**. At the EU level, the Digital Economy and Society Index (DESI)[101], shows that around 60% of individuals aged 16-74 have basic digital skills, with rates ranging from over 80% in the Netherlands and Finland to below 30% in Romania.

How likely is the problem to persist?

Without EU intervention, **individuals** are likely to continue facing difficulties proving their social security rights and insurance status in cross-border situations while businesses will persist in encountering problems with easily complying with requirements.

[95] This was for instance reported by Finland where access to digital healthcare and pension services often requires a Finnish national electronic identification, limiting digital access for non-residents. The situation may improve thanks to the implementation of the EUDI framework.
[96] This was underlined by business associations in the EU social partners hearing. See Annex 2 and section 0.
[97] This includes the recent ELA campaign on social security coordination: EU4SocialSecurity.
[98] About 87% of respondents (66 out of 76 replies) of the survey conducted as part of the study on digitalisation, considered this of high (35) or medium relevance. When asked to rank four situations contributing to difficulties in proving social security rights and insurance status across borders, respondents of the public consultation identified insufficient clarity on the procedures to be followed as the main challenge.
[99] This was also raised during interviews with two business associations, one worker representative organisation, and a Czech national authority as part of the study on digitalisation.
[100] ELA (2025) National cross-border digital tools and services in the field of EU social security coordination.
[101] See European Commission (2025), DESI indicators 2025, Eurostat isoc_sk_dskl_i21 2025.

In the absence of an EU solution, issue like the rejection of EHIC due to unverifiable validity will persist. Given the sustained growth in post-pandemic period - with tourism trips by EU residents rising by 6.1% in 2023 and 4.4% in 2024[102] - short-term cross-border stays within the Union are expected to remain common, maintaining the demand for access to necessary healthcare during temporary stays abroad.

Problems in verifying portable documents, notably the A1 form, and the EHIC by **national administrations and healthcare providers** will persist. Verification practices across Member States are expected to remain fragmented, relying on diverse formats and procedures that lack cross-border interoperability. Even with increased digitalisation of portable document A1 at the national level, labour inspectorates in host Member States will lack the ability to access or verify these documents in real time. The same difficulties in checking the validity of the EHIC will continue to exist for **healthcare providers**.

Challenges will be greater for other portable documents, especially since, unlike the EHIC and the portable document A1, their online request and issuance are not covered by the SDGR, resulting in less pressure on Member States to digitalise them. The assessment of the baseline scenario and evolution without EU intervention are presented in section 0.

Why should the EU act?

Legal basis

Article 48 of the Treaty on the functioning of the European Union (TFEU) grants the EU the competence to coordinate EU countries' social security schemes. Member States remain free to decide about the details of these schemes and to determine who is to be insured under their legislation, which benefits are granted, and under what conditions. While Article 48 TFEU applies to employed and self-employed migrant workers and 'their dependants', Regulation (EC) No 883/2004, based both on what are now Articles 48 and 352 TFEU, extends SSC to inactive citizens moving within the Union. This Article provides a solid legal basis for adopting measures to digitalise cross-border social security processes and facilitate the exercise of social security rights and fair labour mobility within the EU.

Subsidiarity: Necessity and added value of EU action

The **free movement of people and freedom to provide services** are fundamental freedoms of the European Union. To fully benefit from these rights, individuals and businesses must rely on efficient public services, including when accessing social security benefits or sending employees for temporary work in other countries.

The **barriers to the seamless proof and cross-border verification of social security rights and insurance status cannot be effectively dealt by Member States on their own**. Digital solutions implemented by a single Member State will not ensure cross-border interoperability and recognition and verification of SSC documents.

[102] Eurostat, Tourism statistics, Trips by duration, purpose and main destination [tour_dem_tttot] for years 2023-2024.

An action at the EU level will bring significant added value by:

(i.) **Facilitating the application of SSC rules, free movement and fair labour mobility in the single market**. An EU action will improve proof and verification of social security rights and insurance status, thus the access to benefits and healthcare, establishing a more supporting environment for workers who are relocating or considering relocation within the EU. This will similarly benefit free movement of people who wish to study, travel, reside, or do business in another Member State. Given the cross-border nature of the existing problems, effective solutions are best pursued at the EU level, rather than through individual efforts by Member States. Action at the EU level will benefit mobile individuals by making their social security rights more transparent and accessible, reducing fraudulent and exploitative practices[103]. It will assist businesses operating cross-border by reducing unnecessary administrative difficulties and complexities, while supporting national authorities by simplifying processes and strengthening cross-border cooperation. This will enhance the understanding and implementation of rules, facilitate their enforcement while fostering trust in the EU's SSC framework and Europe's single market.

(ii.) **Creating momentum in advancing European digital policies and contributing to transforming the EU into a modern, resource-efficient and competitive economy.** An EU action will help accelerate the digitalisation of cross-border public services[104], ensure a well-functioning, integrated digital single market, ultimately benefitting European competitiveness. By building on and reinforcing key digital EU initiatives - such as the SDGR, the Once Only Technical System (OOTS), the EUDI framework, the European businesses wallets, the Interoperable Europe Act, the EESSI and the European Health Data Space – an EU action will maximise the impact of prior EU investments, **being part of a coherent and cohesive EU digital landscape** that serves the interest of the EU and its Member States. If the EU does not act now, actions by Member States would likely lead to fragmented, uncoordinated, incompatible solutions that fail to integrate with existing EU initiatives. This could result in suboptimal outcomes and be more costly to reverse at a later stage. An initiative in SSC could furthermore pave the way for the adoption of similar solutions for other documents relevant for individuals and companies in cross-border situations[105].

Objectives: What is to be achieved?

General objective

The overarching objective of the initiative is to promote fair mobility within the EU single market, facilitating the application of SSC rules and the access to social security rights for all individuals, in line with the European pillar of social rights and the single market strategy. The initiative supports the Union's cross-cutting objectives of simplification and reduction of administrative hurdles.

[103] Garben, S., 2023, The European Social Security Pass.

[104] State of the Digital Decade 2025 - Factsheet | Shaping Europe's digital future where the percentage of digital services to individuals and businesses are key indicators.

[105] This was stressed by several participants in the High-level meeting on digitalisation in SSC. EU social partners in the construction sector (SIDE-CIC project) have examined the digitalisation potential of the current labour and social identity cards. One of their findings concerns the possibility of using the EUDI wallets to contain in the future information currently provided by social identity cards/labour cards.

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 specific objectives should be read in combination with the draft performance monitoring framework (Annex 12). Together, they outline what the success of the initiative could look like.

The specific objectives of the initiative are as follows:

- Cross-border social security cases requiring proof and verification of social security rights and insurance status are handled with reduced manual intervention and streamlined administrative steps, leading to faster processing. The proposed point of reference for achieving this objective could be reduced processing times for issuing and verifying documents.

- Cross-border interoperability is strengthened through converged documents' formats, data models and verification methods across the EU, enabling seamless exchange of information and reducing fraud. The proposed point of reference for this objective could be the alignment and use of common standards and specifications for document formats, data models, and verification processes across Member States and the improvements in fraud reduction.

- Individuals experience improved access to, greater awareness of, and increased control over their cross-border social security rights and data. The proposed point of reference for this objective could be an observable increase in user satisfaction, the use of digital channels for accessing and managing cross-border social security information and the degree of control over data.

What are the available policy options?

What is the baseline from which options are assessed?

In the baseline scenario, the issuance of portable documents within the EU is projected to continue its upward trend[106] from 2026 to 2040 due to several factors, including EU-intra mobility[107]. The cross-border service provision, remote work and non-standard employment arrangements[108] are expected to support cross-border employment, thereby increasing the need for portable documents, such as A1 and S1 and EHIC. Additionally, the demographic shifts like EU population ageing[109] and the growing number of retirees seeking residence in other Member States[110], will drive the request for portable documents S1, EHIC. Broader trends like growing

[106] See Annex 9, table 21.

[107] Annual report on intra-EU labour mobility – 2024 edition. Over the past two decades, the number of working-age movers has steadily increased, with a notable rise since 2008. At the beginning of 2023 there were around 10.1 million working-age movers, a 2 % increase compared to 2022, higher than the average annual growth rate of 1 % seen since 2018.

[108] Eurofound (2024). Available here: https://www.eurofound.europa.eu/en/resources/article/2024/flexible-work-increases-post-pandemic-not-everyone. Eurostat, EU Labour Force Survey.

[109]Eurostat, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Population_projections_in_the_EU; code: proj_23np

[110] See Cross-border old-age, survivors', and invalidity pensions. Report on portable document P1. In 2024, 6.4 million pension payments were made to individuals living in another EU/EFTA country or the UK (2.1 million in

intra-EU tourism[111] and students' and researchers' mobility will also contribute to the demand of portable documents and EHIC. Furthermore, policy and technological advancements, linked to national strategies and the implementation of the SDGR[112], are expected to enhance document accessibility and processing. Overall, these factors suggest a continued rise in portable document and EHIC issuance (Table 1). This trend will subsequently necessitate a higher volume of verifications by national authorities and healthcare providers.

Table 1. Number of portable documents A1 and EHIC issued in 2023 and estimated in 2040 (EU)

	EHIC	portable document A1
Issued in 2023	28.5 m	5.2 m
Issued in 2040	32.8 m (+15%)	10.8 m (+106%)
Cumulative (2026-2040)	~465 m	~128 m

Source: Study on digitalisation in social security coordination

EU digital initiatives relevant for SSC are assumed to continue to be in force and implemented. However, these initiatives will not address the specific problems identified.

Member States are expected to complete the implementation of **EESSI** by mid-2026. This will further facilitate exchanges among institutions, including linked to some of the portable documents; however, it will not resolve the challenges currently encountered by individuals, businesses, labour inspectors, and healthcare providers. Further details are provided in section 0. and Annex 11.

Member States will continue implementing the **SDGR** and the **OOTS**. It is expected that they will finalise the provision of fully online procedures for portable document A1 and the EHIC, with more countries anticipated to introduce the possibility of electronic versions of the EHIC. However, the format of the documents is expected to remain diverse as the Regulation provides Member States the flexibility to choose their own output format, while still adhering to certain requirements. Additionally, the described problems related to cross-border verification will not be addressed by national solutions or bilateral agreements, which fails to provide a unified approach valid across Europe[113]. The digitalisation of portable documents not explicitly covered by the SDGR[114] will likely be even more limited and fragmented. The pace and extent will vary significantly by Member State and document type, based on feedback received[115].

2016), for a total expenditure of around 31 billion euro. Data suggests that the number of exports will increase in the coming years (see 2023 Annual report on intra-EU labour mobility).

[111] See section 0.

[112] See Digital Decade 2025: eGovernment Benchmark 2025. Even though 88 % of public services are available online to national users, cross-border users can access only 56 % of those services digitally.

[113] See ELA study on portable document A1 tools for examples of cooperation, for instance among neighbouring countries such as France and Luxembourg or Finland and Estonia (data exchange agreement).

[114] All portable documents except from portable documents A1 and P1 and EHIC.

[115] Feedback from members of the Administrative Commission, as part of the Study on digitalisation.

Member States will progressively implement **standardised EUDI wallets** for all EU citizens, residents who choose to use them by December 2026[116]. Large-scale pilot projects tested the technical specifications and software prototypes for the EUDI wallets across various sectors, with a project - DC4EU - piloting the wallet's use for the portable document A1 and the EHIC. However, since the EUDI Regulation leaves the issuance of sector-specific attestations to the discretion of Member States and the sectors, the independent national issuance of the portable documents and the EHIC within the EUDI wallets by individual countries is neither desirable nor expected. This is because such unilateral actions - without uniformity in formats, standards and rules - could pose challenges regarding the acceptance and verification of these documents in other countries with consequences for the rights of individuals[117].

The **Interoperable Europe Act** establishes structured EU cooperation on interoperability, introduces mandatory assessments to evaluate the impact of changes in IT systems, promotes the sharing and reuse of interoperable solutions through the Interoperable Europe Portal, and provide innovation and support measures for policy experimentation. Being the Act a horizontal framework, its implementation alone will not resolve the cross-border sector-specific challenges identified in the report.

A **targeted revision of the EU social security coordination regulations (EC) 883/2004 and (EC) 987/2009** was agreed between the European Parliament and the Council[118]**.** The revision will further strengthen collaboration and information exchange between institutions concerning portable document A1, notably about the dialogue and conciliation procedure when fraud or error is suspected. However, it will not solve the problems identified related to proving rights and verifying the validity of documents. Similarly, the **initiative to reinforce the European Labour Authority (ELA)** will strengthen this authority but will not address the specific issues and objectives of the ESSPASS initiative.

The **proposal for a public interface connected to the Internal Market Information System (IMI) for the purpose of posting declaration (e-Declaration)**, which has been provisionally agreed by the co-legislators,, aims at simplifying and streamlining the processes for companies to post workers to participating Member States. However, challenges related to portable document A1 procedures, including different information requirements across countries, which fall under the scope of EU SSC rules, will persist.

Additionally, in the baseline scenario, the persistent reliance on uncoordinated national solutions for portable A1 verification across Europe will further result in a fragmented landscape, forcing authorities to navigate varying approaches. Similarly, EHIC verification is set to continue consuming time and resources, leading to significant financial consequences **from 2026 to 2040**. As the digitisation efforts mentioned above will not address problems associated with cross-border verification, the projected total negative financial consequence for

[116] The impact assessment for the EUDI framework estimates the total costs for public authorities to range between EUR 850 million and 910 million.
[117] Sector specific legislation was adopted or proposed which provide for the use of EUDI wallets, like the Directive (EU) 2025/2205 on driving licences and the proposal on the EU digital travel application.
[118] See footnote 4. The revision concerns the coordination rules in the area of economically inactive citizens' access to social benefits, long-term care benefits, unemployment benefits and family benefits, recovery as well as the conflict rules on applicable legislation. A formal approval of the Council is still pending.

verifying documents is expected to range from **EUR 34 million to EUR 90 million**[119] for EHIC (in particular for healthcare providers) and **EUR 32 million to EUR 86 million** for portable document A1 during this period (in particular for labour inspectorates)[120]. Businesses will face labour expenses during inspections estimated at **EUR 28 – EUR 76 million**[121]. Situations where individuals must pay upfront for unplanned medical treatments due to unaccepted EHICs will continue. This will temporarily strain their finances, with costs estimated to be roughly between **EUR 54 and EUR 58 million**. Estimated costs for filing claims are approximately **EUR 1.5 – EUR 1.7 million euro.** The risk of fraud and errors in social security systems will remain a concern, aggravated by fragmented control measures. For portable document A1, the annual number of fraudulent cases (false portable document A1s only) is estimated at around 3,900 across the EU, resulting in a cumulative of 60 000-96 000 cases over the period 2026–2040[122]. Indicative estimates place costs related to false portable document A1s at **EUR 112 million to EUR 181 million** euro for the period 2026-2040[123]. For the EHIC, based on an estimated 2,000-20,000 cases of inappropriate use per year, the cumulative number for 2026–2040 is projected at 30 000-300 000 cases, translating into fraud up to **EUR 150 million** for the EU. Further details are provided in Annex 9.

Regarding **data protection and privacy**, the GDPR will continue to serve as the foundation for compliance. However, the presence of various national solutions might result in discrepancies in how safeguards are applied and lead to different levels of security and trust in digital systems.

Description of the policy options

The ESSPASS initiative aims to cover all portable documents and the EHIC[124]. A phased approach will be considered, allowing implementation to start one year after the date of application of the proposed Regulation with the portable document A1 and three years after the adoption with the EHIC. This builds on the technical feasibility and relevance of these documents which have already been well established through pilot testing. This prioritisation – supported by the outcomes of the pilot projects, the European Parliament[125] and the vast majority of stakeholders who responded to the public consultation[126] - ensures smoother adoption, enabling national authorities to build practical experience and focus on documents with the highest impact. The extension to the other portable documents would occur three years after the adoption, except for those documents for which digitalisation under ESSPASS would not provide added value. This will be determined by an assessment, conducted with the support

[119] This accounts for the growth scenario where checks increase with cross-border activity. It results in slightly higher cumulative baseline costs (~EUR 90 million) rather than the simple multiplication of annual costs (i.e. 15*5,6 = 84).
[120] See Annex 9 for details on calculations and explanations on ranges.
[121] Ibid.
[122] The absence of reliable data on the financial impact per fraud case makes any estimate of cumulative costs highly uncertain.
[123] These are costs to the budget due to unduly received benefits.
[124] The public consultation revealed the top priorities for digitalising social security coordination documents, with the European Health Insurance Card (EHIC) topping the list at 143 votes (88%). This was followed by the portable documents A1 (86 votes, 53%), the S1 (81 votes, 50%) and the S2 (56 votes, 35%) for planned medical treatment abroad.
[125] European Parliament, 2021, Resolution of 25 November 2021 on the introduction of a European social security pass for improving the digital enforcement of social security rights and fair mobility.
[126] See Annex 2.

of Member States, namely via the newly established Ad hoc group of the AC on ESSPASS. The assessment will cover:

- operational relevance, scalability factors, economic viability;
- transaction volume;
- cases where digitalisation is not justified.

The selection of options for detailed assessment builds on the outcomes of the pilot activities[127], insights of the stakeholders responsible for the future implementation of ESSPASS and considers a number of additional factors, including:

- The **coherence with EU policy objectives**, **the EU's simplification and digitalisation agenda** and the **digital ready policymaking**[128].

- The **reliance on EU initiatives that already provide a foundation for ESSPASS** to build upon, notably the SDGR, the OOTS, the EUDI framework, potentially the future European Business wallets, and the Interoperable Europe Act. Building on these initiatives ensures coherence with the broader EU framework and adheres with the proportionality principle, employing a **cost-effective** strategy for minimising costs, optimising resources efficiently.

- The **EU shift towards user-centricity and privacy-by-design principles**, ensuring that individuals have complete control over their personal data[129]. **Direct, easy access to information and documents related to social security status in cross-border situations empowers individuals to readily understand and exercise their rights**.

- The **need to address the digital divide -** disparities in technology access, usage, and benefits across regions and groups - to ensure inclusivity, along with high standards of data privacy and accessibility[130].

In all selected options a dual system – combining both digital and non-digital solutions – would remain a permanent feature. There would not be formal phasing out of non-digital support, so that physical documents' formats continue to be available alongside digital ones. This approach is intended to ensure inclusiveness and genuine freedom of choice for users, in line with the European declaration on digital rights and principles.

The analysis assessed sub-options, distinguishing between voluntary and mandatory implementation by Member States of the proposed solutions. However, the voluntary sub-options were considered less effective and therefore are not presented in the main report, but only in Annex 4.

A high-level description of the main features and requirements of the selected options are presented in the following sections. The detailed technical design and governance arrangements would need to be defined later during implementation.

[127] More details on these activities and the results are provided in Annex 10.
[128] Interoperable Europe Act and Better Regulation.
[129] EU Declaration on Digital Rights and Principles.
[130] This was also supported by respondents to the public consideration (see Annex 2).

The intervention logic is presented in Annex 12.

Policy option 1: Enhanced social security coordination documents

This option would establish a solution to enhance portable documents and the European Health Insurance Card (EHIC), enabling their revocation and digital verification across borders. The implications of this option are as follows:

- Social security institutions or other designated bodies across EU countries will issue the portable documents, like portable document A1, and the EHIC in a **standardised format enhanced with verifiable digital security features** (e.g. PDFs with QR codes providing machine-readable access to the encoded information), which can be either printed or stored electronically. Authorised issuing institutions will be registered in a publicly available trust registry, containing also their digital certificates, to allow verifiers to automatically confirm that the issued documents are authentic and have not been tampered with.
- Individuals will have the autonomy to choose how they want to store and present their documents, either in a physical format (e.g. printed on paper or even potentially on a plastic card), or stored electronically in their smartphones/email box.
- Verifiers, including labour inspectors and healthcare providers, will adopt devices with software and applications capable of scanning security features, like QR codes. These applications will read the encoded information and automatically verify the integrity, validity and authenticity. They will also visually inspect the ID cards of the individuals, as is currently done in the baseline scenario.

This policy option does not rely on the European Digital Identity (EUDI) framework and does not involve the use of EUDI wallets. It goes beyond the baseline scenario by introducing EU-wide standardisation, digital security features and a trust registry for cross-border verification of portable documents and the EHIC. Under the baseline, Member States are expected to complete the transition to fully online procedures for requesting and issuing portable document A1 and EHIC, without standardised formats and common verification mechanisms.

Policy option 2: A solution relying on the EUDI framework with non-enhanced social security coordination documents for non-wallet users

This option involves: i.) a fully-fledged digital solution for the issuance and instant verification of portable documents and the EHIC, relying on the EUDI framework, ii) non-enhanced documents for non-wallet users[131]. Its key elements and implications are as follows:

- Social security institutions or other designated bodies across EU countries will issue the portable documents - like the portable document A1 - and the EHIC in a uniform standardised digital format. This default format must be suitable for use in the EUDI wallets (i.e. structured as a public body electronic attestation of attributes, PUB-EAAs). Additionally, they will continue to provide non-enhanced physical documents and EHIC

[131] This option emerged during discussions with Member States within the framework of the AHG on EHIC digitalisation and of the AC due to concerns of some countries on the costs of having both the EUDI solution and the enhanced documents.

plastic cards (without verifiable digital security features) for those who opt not to use the digital wallets or cannot use it.

- Individuals will be able to securely store the portable documents and the EHIC as PUB-EAAs within their EUDI wallets. If they cannot or prefer not to use the EUDI wallet, non-enhanced physical documents will remain available.
- Verifiers, such as labour inspectors and healthcare providers, will be technically equipped with hardware (devices, e.g. smartphones, tablets, computers or interactive kiosks) and software (verification application) to interact with the EUDI wallets, in order to automatically confirm the integrity, validity and authenticity of the portable documents and the EHIC at the time of verification. Verifiers will use the verification application to authenticate themselves, check the needed data from the attestations and the personal identification data (PID) of the individuals, including a portrait, all stored in the EUDI wallet. In this way, they can also confirm that individuals are using their own wallet, and the attestations genuinely belong to them. Verifier will not be able to verify the authenticity, integrity and validity of the physical documents (same as in the baseline).
- Member States will communicate to the European Commission lists of issuers and verifiers (EUDI trust registries) and keep them up to date. These lists will be made publicly available.

Policy option 3: A solution relying on the EUDI framework with enhanced social security coordination documents for non-wallet users

This option involves: i.) a fully-fledged digital solution for the issuance and instant verification of portable documents and the EHIC, relying on the EUDI framework, and ii) enhanced documents for non-wallet users. The main elements and implications would be the same as those of policy option 2, with one difference: for individuals who cannot or prefer not to use EUDI wallets, social security institutions or other designated bodies across EU countries will issue portable documents and the EHIC in an enhanced format, that can potentially be printed (i.e. similar to policy option 1). This will improve also the security of the non-digital version of the documents, making them resistant to forgery and misuse, and providing the means for revocation and verification, not possible in the merely physical format. This policy option would enable both formats to use the same technical components for the issuance and verification, such as issuer infrastructure and verification application, eliminating the need to replicate all elements.

Accompanying measures and data protection

The following measures[132] will accompany the aforementioned policy options to ensure their smooth implementation and strengthen their impact on EU competitiveness and simplification:

- Introducing in all Member States the option for individuals to request online and receive electronically the portable documents not covered by the SDGR from three years after the entry into application of the proposed Regulation.

[132] See Annex 2 on the support from respondents to the public consultation.

- Establishing binding deadlines for national authorities to issue portable documents and the EHIC, ensuring that these documents are available in time for use in cross-border situations, without compromising the quality and accuracy of information[133].
- Ensure the necessary convergence between national information requirements for the portable document A1 request, facilitating potential future interoperability and allowing for the possibility of making use of the multilingual public interface for the declaration of posted workers (e-declaration)[134] to the extent that there is a sufficient overlap between the information requirements in the request for PD A1 form and e-Declaration, once established. This would allow applicants to only provide the common data once (once only principle) as requested by stakeholders[135], including several Member States during the negotiations on the e-Declaration, and in line with the overall EU objective to reduce administrative hurdles for businesses operating across borders. Convergence in information requirements would also ensure better alignment on checks conducted before issuing the A1 form. Given that the e-Declaration proposal is not formally adopted[136], key elements – such as the technical design and operational framework of the future portal – have yet to be decided. This uncertainty does not allow for the definition of precise interoperability measures at this stage, and these will need to be addressed once the e-declaration proposal has been adopted by the co-legislators. It is also important to achieve outcomes that balance efficiency with fairness. Employer organisations and business associations[137] emphasised the need to streamline procedures, reduce duplication and move towards integrated, EU-wide digital systems. They called for a single or coherent process that brings together A1 forms, posting declarations, ideally via one portal and on a 'once-only' basis, to minimise repeated data submissions, errors and delays, while providing predictable interactions for companies across Member States. Trade unions and social security institutions[138], stressed that simplification must not undermine legal clarity, workers' rights or institutional responsibilities. They supported digitalisation and the once-only principle where it genuinely reduces fragmentation and error risks, but caution that the portable document A1 and posting procedures have distinct legal bases, purposes and authorities involved, and that any technical interoperability should avoid forced mergers that could increase complexity or weaken safeguards.
- Creating a committee within the meaning of Regulation (EU) No 182/2011[139] to assist the European Commission in exercising its implementing powers. Such empowerment is necessary in adopting uniform technical measures and maintaining flexibility to

[133] This was supported by several stakeholders during the consultation process, for instance FIEC, European Construction Industry Federation, stated that binding deadlines should be applied to the national competent authorities for the issuance of standardised social security coordination documents. Currently, it is nearly impossible to obtain a portable document A1 in some Member States or it takes many months before getting a decision.

[134] The tool proposed is expected to reduce by 73% the time spent on declarations.

[135] See section 0 and stakeholders' feedback (annex 2).

[136] On 23 June 2026, the European Parliament and the Council have reached a provisional political agreement on the proposed regulation.

[137] BusinessEurope, BDA, Transport and Logistics Poland, DSLV (Bundesverband Spedition und Logistik e. V.), Handwerkskammer Koblenz, Kreyenborg GmbH & Co. KG, DIHK , Chamber of Commerce / Germany.

[138] This was raised, among others by ETUC, BNS Blocul National Sindical, the Austrian Social Insurance umbrella organisation and DGB Deutscher Gewerkschaftsbund.

[139] Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers. Available at: link.

update standards, as well as in ensuring a better efficiency of the decision process, and the legal enforceability[140] of decisions, such as the adoption of standards.

These measures are common to all policy options and underpin the initiative irrespective of the preferred policy choice[141]. They are therefore included in the overall intervention logic (Annex 12) but are not repeated under each option, as they do not affect the comparison between options.

The three policy options would involve the **processing of personal data**, requiring full compliance with privacy and data protection rights (Article 7 and 8 of the Charter of fundamental rights of the European Union) and the GDPR. To ensure high standards of data protection, the options would follow the principles of data protection by design (i.e. incorporated into the design specifications and technical architecture) and by default (applying the strictest privacy settings, ensuring data is not accessible to an indefinite number of individuals), and secured with state-of-the-art security measures[142]. Both functional and non-functional data protection requirements (e.g. principles of data minimisation and purpose limitation) would be unambiguously defined as part of the system requirements, with appropriate security measures thoroughly documented. Processing activities would involve only a limited amount of personal data, strictly essential for the intended purpose. Security measures would be implemented for the protection of personal data in each processing operation. Appropriate safeguards would ensure accessibility and prevent indirect exclusion of individuals[143]. Subject to these safeguards, all three options are considered supportive of the rights to privacy and data protection.

Options discarded at an early stage

Some alternative options were considered but not selected for detailed assessment. These options were deemed either ineffective in addressing the identified problems, or disproportionate in their approach:

- **Building a new dedicated ESSPASS wallet.** Developing a standalone ESSPASS wallet alongside the EUDI wallet and the future European Business wallet would conflict with the EU's goals of cost-effectiveness and simplicity, incurring redundant

[140] The decisions of the Administrative Commission are not legally binding.

[141] Respondents to the public consultation identified the alignment of information requirements across Member States for requesting a portable document A1 as the measure with the greatest potential to simplify procedures, with 77% (125 respondents) considering that it would provide some or high level of simplification. This was followed by setting binding deadlines for competent institutions to issue requested social security coordination documents (74%, 120 respondents) and by the introduction of a one-stop shop for requesting a portable document A1 and submitting the posting declaration (71%, 115 respondents).

[142] Data protection and cybersecurity considerations were repeatedly raised by stakeholders participating in the ESSPASS call for evidence. Trade unions, NGOs, public authorities and individuals' submissions emphasised that ESSPASS implementation would need to comply fully with data protection requirements, including data minimisation.

[143] In response to the call for evidence AGE Platform Europe and the European Blind Union highlighted risks that fully digital solutions could disadvantage older persons, persons with disabilities or digitally excluded groups if accessibility requirements were not adequately addressed. Individuals' submissions similarly welcomed digital convenience but stressed the need to ensure usability across different groups. This was also raised by respondents to the public consultation.

costs for national authorities, unnecessary complexity for individuals and businesses, and potential competition with the EUDI ecosystem.

- **Introducing a European Social Security Number (ESSN).** A draft impact assessment on the establishment of the ESSN was submitted to the Regulatory Scrutiny Board in 2018. The aim of the initiative was to facilitate individuals' identification across Europe and the verification of their social security coverage. The Board issued a negative opinion pointing out that the need to introduce an ESSN was not sufficiently justified, and alternative technical solutions should be analysed. The Commission's further assessment concluded that creating a domain-specific unique identifier was neither relevant nor cost-effective for achieving the intended objectives. This would have implied significant financial investments, complex technical requirements, and raised concerns regarding data privacy, proportionality and subsidiarity, including constitutional issues in some countries. Moreover, aspects related to people's identification are now covered by the EUDI framework[144]. In this context, the Commission proposal on the EUDI framework initially suggested introducing a unique identifier at the EU level. However, this suggestion was rejected during negotiations, primarily due to concerns over data protection. The European Data Protection Supervisor (EDPS) explicitly warned that including a unique and persistent identifier in the digital identity system constitutes a significant interference with fundamental rights because it could enable profiling and electronic surveillance of individuals. Such an identifier is not a trivial technical feature from a data protection standpoint: it could allow relations of identity data across different contexts and over time, potentially eroding privacy protections[145].

- **Extending the scope and functionality of the EESSI**. ESSPASS intends to complement EESSI by addressing exchanges between individuals and social security institutions, labour inspectors and healthcare providers – a domain EESSI does not cover. After assessing the potential expansion of EESSI's scope and functionality, it was concluded that this option was neither ideal nor feasible[146]. EESSI is a 'closed system', designed exclusively for institution-to-institution exchanges and is not intended to include or engage end users, such as individuals, employers, or non-social security actors, like healthcare providers. The trust within the system is built on this exclusivity by design. Moreover, EESSI was designed as an asynchronous messaging system (i.e. not instant replies) and developed without considering the individuals or non-social security institutions in the set of system stakeholders. Trying to use it for ESSPASS purposes would require a costly and technically complex total redesign of the system, resulting in significant operational disruption, while not being able to efficiently solve all the identified problems. Nevertheless, the complementarity between ESSPASS and EESSI has been explored, as well as some interlinked functionalities (e.g. institutions certificates for digital signatures). Further details are provided in Annex 11.

[144] S. Garben. 2023, The European Social Security Pass.
[145] Formal comments of the EDPS on the Proposal for a Regulation amending Regulation (EU) No 910/2014 as regards establishing a framework for a European Digital Identity.
[146] Member States, as well as experts from the pilot projects did not consider EESSI as a possible way of addressing the current problems linked to the request, issuance and cross-border verification of portable documents and the EHIC.

What are the impacts of the policy options?

The retained policy options may lead to different economic, social (including fundamental rights), environmental and competitiveness impacts when compared to the baseline scenario. Details on the baseline impacts are included in section 0.

The impacts are assessed **over a 15-year period**, which **includes the initial three-year setup phase**. Therefore, it is assumed that the benefits begin to materialise after three years and continue over a 12-year period. Benefits are evaluated qualitatively and, where data permits, quantitatively. Similarly, costs are monetised as a priority; where this is not feasible, they are examined qualitatively. Both benefits and costs are incremental, i.e. presented in comparison to the baseline scenario.

The **assessment covered policy options distinguish between mandatory and voluntary implementation** by Member States. The report focuses on the estimated costs and benefits of mandatory implementation. The voluntary implementation scenarios are therefore not discussed in the core chapters but presented in Annex 4 and included in the sensitivity analysis, assuming a 50% participation rate among countries[147], and consequently overall costs and benefits at around half of those under full participation.

The choice to keep the voluntary scenarios out of the main narrative reflects the fact that voluntary implementation across all policy options was assessed as less effective. Voluntary approaches depends on Member States deciding whether or not to participate, which leads to uneven and partial adoption. Only the more motivated or advanced Member States are likely to take up new technologies, causing gaps where others opt out. This would mean that security features, digital formats, verification methods are implemented inconsistently, undermining the objective of enhancing cross-border interoperability. Differing standards and fragmented participation would hinder seamless verification and access to social security services. Enhanced processes and digital solutions would benefit only a subset of individuals, businesses and administrations, and the identified objectives would not be achieved effectively at EU level. Such partial implementation would result in fragmented processes and inconsistencies in the way social security documents are issued and verified across Europe, creating uncertainties and potentially significant problems for individuals' access to benefits and healthcare[148]. Against this background, the report concludes that mandatory implementation is necessary to ensure coherent standards, full interoperability and equal treatment across Member States, while the voluntary scenario is retained only as a sensitivity test in Annex 4.

[147] This assumption is based on the pilots. Annex 4.

[148] A large majority of respondents to the ESSPASS public consultation (93%) agree that a standardised digital solution should be made available in all EU countries (with 76% strongly agreeing). The risks associated with voluntary implementation were also highlighted by stakeholders responding to the call for evidence (Annex 2). Trade unions such as ETUC and EFBWW raised concerns that inconsistent application of the initiative across Member States due to voluntary or limited deployment might undermine the system's effectiveness, potentially perpetuating enforcement weaknesses and fraud risks.

The **analysis of impacts faces a certain degree of uncertainty** due to a scarcity of quantitative data from Member States[149], limited engagement of healthcare providers in the pilot activities, and the number of assumptions employed.

Actual expenditure will vary depending on the final technical design and national-level choices regarding technical and organisational implementation - such as the level of (de)centralisation in the issuer infrastructure - limiting insights into specific country-level cost estimates. These choices will be influenced by factors like existing national administrative structures, technical capacity, strategic policy priorities and cost-benefit considerations. Specifically for options 2 and 3, the decision regarding the implementation scenarios will largely depend on how Member States will choose to organise themselves within the overall implementation of the EUDI framework at the Member State level, which will not depend only on decisions within the SSC sector. Drawing on the outcome of pilot activities, various technical implementation scenarios are explored for policy options, considering their feasibility and likelihood of adoption.

As a result, **estimates are preliminary and are based on a triangulated method** that combines data from the DC4EU project, the proof of concept on the enhanced EHIC (Annex 10), desk research, survey results, and additional stakeholder inputs[150]. Further methodological details are provided in Annex 4.

The report assumes a 75% uptake rate of the European digital identity wallet. This assumption is considered reasonably reliable, as it is grounded in the converging evidence and information available, including a 2022 survey suggesting that around two thirds of EU citizens would be willing to adopt a European digital identity wallet as an upper bound signal of demand, and the EU's policy ambition, as outlined in the Commission's digital decade policy programme and the European digital identity framework, to achieve up to 80% uptake by 2030. Moreover, the assumption is further supported by the expanding use cases that will rely on the European digital identity wallet, including its planned use for mobile driving licences, disability cards and other sectoral applications, all of which are expected to promote widespread adoption. This assumption was tested in the sensitivity analysis (see Annex 4).

A substantial **majority of the surveyed social security institutions**, 61 out of 69, **have identified potential implementation costs as the main challenge**, particularly focusing on **costs related to system integration and infrastructure enhancements**[151]. These expenditures are primarily one-off costs expected to be amortised over an extended period. Moreover, optimising processes and capitalising on synergies with existing initiatives is anticipated to alleviate the financial pressure, while improving operational efficiency. For instance, reusing reference models developed during the pilot activities, and the technical building blocks of the EUDI framework for options 2 and 3, present opportunity for cost reduction.

[149] Some countries, like Denmark, stated their inability to estimate costs and benefits, as they must await a final and binding decision on implementing the solution. Others indicated a lack of time and resources to conduct such estimations, while some emphasised that the uncertainty surrounding technical implementation makes it impossible to determine costs at this stage (including Member States' involved in the pilot activities).
[150] Annex 4.
[151] Survey conducted as part of the study on digitalisation in SSC.

Economic benefits

The main expected benefits are due to anticipated cost savings from **faster cross-border verification and confirmation of the integrity, authenticity and validity of portable documents and the EHIC** and from **reduced fraud**. The benefits are estimated relative to the baseline (section 0 and Annex 9)[152]. Thus, the figures presented illustrate the extent to which costs are expected to decrease compared to the baseline scenario under each option. Savings are derived by comparing the annual cost level under the baseline scenario with the lower annual cost level expected once the proposed measures are implemented. The difference between these two annual cost levels represents the yearly savings generated by the initiative for the 12 years following implementation. In the first three years savings are estimated to be zero, because of the need to set-up the system (see section 6.1.2 and Annex 4). Positive savings from year four are assumed to recur each year and therefore accumulate over the full assessment period.

Costs savings from faster cross-border verification

Under all policy options, verifiers would be able to verify the portable document A1 and the EHIC in a faster way compared to the baseline, where the verification time is between 5 and 16 minutes for portable document A1 and 2 to 5 minutes for the EHIC[153]. However, verification time will be slightly different for the different policy options:

- Under **policy option 1** (PO1), verifiers would be able to confirm the integrity, authenticity and validity of portable document A1 and EHIC, either in paper or electronic form, but the visual inspection of the holders' identity card would still be required. The overall process is estimated to take one minute.
- **Policy option 2** (PO2) would reduce the need for manual ID checks and accelerate identity verification when documents are shared via the EUDI wallets, generating almost instant verification (i.e. completed in a matter of seconds). No changes are anticipated in situations where wallets are not used[154].
- Under **policy option 3** (PO3), there would be almost instant verification for EUDI wallet documents and a one-minute verification process for enhanced non-wallet documents.

The estimated total costs savings for verifiers and businesses[155] are outlined in table 2. Individuals are also expected to benefit from faster checks.

The savings distribution between policy option 1 (PO1) and policy option 2 (PO2) reflects differences in their verification processes. In PO1, all documents ("enhanced" documents) can be verified online within a consistent timeframe, estimated to take one minute. While PO2

[152] Ibid. As for the cost assumptions, the analysis applies a three-year set-up phase. Therefore, benefits begin to materialise after these 3 years and continue over a 12-year period.
[153] As noted in section 0, this does not include the time required for exchanges with the issuing institutions, such as when there are doubts regarding validity. See Annex 4 and Annex 9, tables 8 and 14.
[154] A 75% wallet uptake is assumed, while the remaining 25% of checks will continue using current methods, thus do not benefit from the efficiency gains.
[155] See the baseline section in Annex 9. Ranges are linked to constant and grow scenarios, based on the assumption that the number of checks remains stable or increases.

allows for faster processing in approximately 75% of cases through almost instant verification, the remaining 25% - which cannot be verified online ("non-enhanced") - introduces significant uncertainty, potential delays and additional manual efforts. These cases are likely to require more time and resources, offsetting the efficiency gains achieved in the majority of situations. Moreover, the lack of verifiability in these cases may create operational inefficiencies and increase the risk of errors or inconsistencies.

Table 2: Estimated total costs savings from faster cross-border verification (cumulative for 12 years following the initial three-year setup phase with zero costs savings million EUR)

		PO1	PO2	PO3
Portable document A1	Cost savings for verifiers	22 – 68	19 – 55	24 – 72
	Cost savings for businesses (reduction of labour costs)	20 – 60	17 – 49	21 – 64
EHIC	Cost savings for verifiers (healthcare providers)	13[156] – 58	20 – 54	23 – 69

Cost savings resulting from reduced fraud

By confirming the authenticity, integrity and validity of portable document A1 and the EHIC, the three policy options would help reduce the risk of forged or outdated documents being used to illicitly claim social security benefits or access healthcare services in other countries[157]. The estimated total savings are outlined in table 3[158].

Table 3, Estimated total costs savings from reduced fraud (cumulative for 12 years following the initial three-year setup phase, million EUR)

	PO1	PO2[159]	PO3
Portable document A1	89-157	No reduction	89-157
EHIC	12 to 120	No reduction	12 to 120

[156] The annual verification cost is reduced from EUR 2.24 million (baseline) to EUR 1.12 million, leading to EUR 1.12 million savings per year, i.e. ~EUR 13.45 million over 12 years.
[157] In response to the call for evidence and during the hearings of EU social partners, trade unions expected the initiative to strengthen enforcement capacity. Organisations such as ETF and EFBWW argued that real-time verification and interoperable credentials would improve the detection of invalid or fraudulent A1 documents.
[158] For the different ranges between portable document A1 and EHIC and calculations, see Annexes 4 and 9.
[159] See Annex 4, page 77. The analysis considers that although the Wallet reduces fraud, its aggregate impact is limited due to the continuing use of paper documents, leading to a conservative assumption of no cumulative cost savings.

Regarding the rationale for the conservative estimate of zero fraud savings for PO2, this was based on the assumption that while 75% of users in PO2 would adopt the European digital identity wallet, the remaining 25% would continue relying on traditional documents or plastic cards without digital security enhancements ('non-enhanced' documents, as in the baseline), whose authenticity, integrity and validity cannot be verified online.

This coexistence was considered to limit the extent to which fraud could be effectively prevented, as individuals falsifying documents could continue using the legacy system and circumvent the wallet's security measures, so in the aggregate analysis – in order not to overestimate benefits – the volume of fraud was assumed to remain largely unchanged compared to the baseline, resulting in no cost savings for PO2.

This contrasts with PO1, where online verification remains possible in all cases, including for printed documents, due to the use of 'enhanced' documents.

These assumptions have been tested under different scenarios, as set out in Annex 4, to verify whether they are too restrictive, including the possibility that some level of fraud could be reduced under PO2.

Savings resulting from faster EHIC issuance and reduced up-front payments

The three policy options would reduce the time to obtain the EHIC. As the digital EHIC would be accessed electronically, individuals could receive their EHIC more quickly following application approval, compared to waiting for a physical card to be printed and mailed. In the baseline scenario, this process can exceed 11 days in certain countries (section 0), while a digital solution could reduce to just two to three minutes (99% reduction)[160].

The options are also expected to decrease instances where upfront payment is required due to card rejection, stemming from validity doubts, unreadable cards or format issues (around EUR 54-58 million in baseline, see section 0). Individuals would not need to go through the reimbursement process (except in those countries where upfront payments are needed), resulting in time savings. Even if people are eventually reimbursed, the reductions in upfront payments[161] have been estimated (table 4)[162].

Table 4, Estimated reduction of upfront payments (cumulative for 12 years following the initial three-year setup phase, million EUR)

		PO1	PO2	PO3
EHIC	Reduction of upfront payments for individuals	43 – 47	32 – 35	43 – 47

[160] Beyond-DC4EU-Final-Report-January-2026.pdf.

[161] Potential reductions depend on the increases in the EHIC use. This indicator is not considered for a cost benefit analysis, because the amounts will be eventually reimbursed. Therefore, the indicator expresses a negative temporary consequence, but not a long-term impact on affected stakeholders.

[162] These reductions have been excluded by the sensitivity analysis to ensure that the assessment remains proportionate.

PO2 reductions are more limited compared to PO1 and PO3, as pre-financing will remain an issue for non-wallet users, using non-enhanced documents (same as in the baseline).

Implementation costs

The implementation costs are a combination of **upfront investments** during the first three years (**one-off costs**) **and costs associated with maintenance and updates** over a following twelve-year operational period **(recurrent costs)**. They **are expected to be primarily borne by national public administrations,** encompassing ministries, social security institutions, labour inspectors, and healthcare providers[163], who serve as issuers and verifiers of social security coordination documents. **Individuals and businesses are anticipated to incur only limited expenses**. For those utilising a digital wallet (option 2 and 3), the primary necessity is a smartphone, which most individuals in Europe already possesses[164].

Across all policy options, **IT-related expenses will account for a large share of total costs**. The analysis considers **three core IT components** common to all options:

- The **issuing infrastructure** to create, manage, distribute and revoke digital documents – hereafter 'digital credentials'[165].
- A **verifier application** to check the integrity, authenticity and validity of credentials against trusted lists - providing a 'valid' or 'invalid' result – and to validate their schemas (structure, format and content rules). The application should also generate and receive a proof of verification for audit purposes.
- A **trust framework**[166] encompassing the infrastructure elements necessary to ensure trust among all involved actors (individuals, credentials issuers and verifiers). This includes lists of trusted issuers, verifiers and revoked credentials. The EU trusted list infrastructure established under the EUDI framework could be reused for options 2 and 3. Option 1 requires lists of trusted issuers and revoked credentials.

Compliance and legal adjustments are another cost component, due to necessary changes in national laws or administrative procedures for implementing the policy options.

Costs for the issuing infrastructure

Issuing digital credentials involves key tasks such as designing data models, integrating with databases where original data is stored, extracting for transformation into a standardised

[163] Healthcare providers, acting under the SSC rules, are public or private body or professionals that are legally authorised to provide healthcare services under the legislation of a Member State and that delivers healthcare benefits in kind within that State's statutory social security/health insurance system. Therefore, the impact assessment considers related costs for healthcare providers under the national social security system and not as costs for businesses.

[164] https://www.statista.com/topics/3341/smartphone-market-in-europe/#topicOverview. In 2024, 70.9 % of people aged 16-74 in the EU reported using internet-connected devices, including smartphones among other smart devices (Eurostat).

[165] In the report, 'digital credentials' refer to cryptographically signed and tamper-evident claims created by an issuer regarding a subject and instantly verifiable cross-border without needing to contact the original issuer.

[166] The trust framework is assumed to build on existing national and EU systems, saving time and resources through the reuse of current tools. Thus, costs considered only account for the specific actions required to fulfil the initiative's requirements.

format[167], implementing qualified electronic signatures and EUDI issuance protocols (for policy options 2 and 3). It also includes developing and testing the issuance system and user interface. A list of the cost elements is available in Annex 4, table 6.

The costs for the issuing infrastructure are to be borne between the issuing institutions (or *issuers,* the entities responsible for creating, signing and managing digital credentials) and the authentic source (i.e. the authoritative system or organisation that holds and maintains the original data). These costs will widely depend on how Member States will choose to organise themselves in terms of which and how many organisations will issue the credentials. The following scenarios summarise the main possibilities[168]:

- **Issuing scenario 1 - Central state-wide issuer**: A single entity issues all public sector credentials.
- **Issuing scenario 2 - Social security coordination-specific issuer**: A dedicated issuer focuses on all social security coordination-related credentials[169].
- **Issuing scenario 3 – Authentic source as individual issuers**: each authentic source in the various social security branches issues credentials directly, providing flexibility and autonomy.

Although existing national setups suggest a hybrid approach between scenarios 2 and 3 as the most likely implementation[170], the significantly higher costs associated with scenario 3 may deter Member States from adopting this decentralised scenario. Consequently, **scenario 2 is used as the reference point for cost estimates across all policy options.** This approach reflects the usual organisation of social security systems, while assuming that countries will aim to optimise implementation and governance arrangements to minimise costs. Complete figures for all scenarios are available in Annex 4.

Besides initial development and deployment, all policy options will incur **recurrent compliance costs for maintenance and operational support** to ensure sustained reliability, security and compliance. Maintenance cost, typically expressed as a **percentage of initial development costs, are estimated at 15%,** as middle-range benchmark from existing literature.

The estimated total EU costs of issuing portable document A1 and EHIC per policy option, under issuing scenario 2 are outlined in Table 5[171].

The costs are based on the following assumptions and calculations:

[167] Countries with centralised databases may face slightly lower costs for this. According to DC4EU, these include at least Austria, Czechia, Denmark, Estonia, Finland, France, Ireland, Latvia, Netherlands, Poland, Portugal, and Sweden. Germany does not have such a database, and the situation remains unclear for other Member States based on available data.
[168] See Annex 4. Scenarios are based on DC4EU insight.
[169] The cost assessment assumes two separate issuers: one for portable documents and another for EHIC, reflecting their distinct organisational frameworks at the national level. This assumption aligns with the prevailing institutional practices in many Member States.
[170] While scenario 2 aligns well with existing more centralised governance structures in Member States like Malta, Estonia and Sweden, scenario 3 would suit more decentralised structures like those in Germany and Belgium.
[171] See Annex 4.

- The cost components included in the one-off cost calculations are the ones indicated in table 2 and table 3 of Annex 4, for the issuers and the authentic sources respectively, under the 'issuing infrastructure' cost category.
- As per definition of scenario 2, only one (dedicated) issuer is considered per Member State.
- The number of authentic sources per Member State is derived from the current portable document A1 and EHIC issuing institutions included in the Electronic Exchange of Social Security Information repository.
- For the authentic sources, the costs indicated as "shared investments" in table 3 of Annex 4 are calculated only once (per Member State) regardless of the number of entities, while the rest of the costs are multiplied by the number of entities involved per country.
- The recurring maintenance costs (which will happen after implementation, i.e. as from year 4), are calculated as 15% of the one-off costs.

Table 5 Total EU costs for issuing infrastructure (cumulative for fifteen years, million EUR)

	PO1	PO2	PO3
One-off cost[172] (initial 3 years)	38.5	44	48.5
Recurring costs (starting from year 4)	69.6	78	85.2

Costs for verifier application

Verifier application costs consist of two main categories: **application development** and verifier **onboarding**. Development costs cover initial software design, coding, development, testing, training, and deployment. Onboarding includes setting up the internal access control system, integrating with national proxies, staff training, compliance checks and implementing logging of verification proofs. Annex 4 presents the list of costs in detail.

The one-off development costs are expected to be similar across all options[173]. The verifier application needs to be created but can use existing open-source components and insights from the DC4EU pilot projects to avoid duplicating efforts. Successful deployment requires authorised verifiers, such as healthcare providers and labour inspectors, to have compatible devises like smartphones or tablets for scanning and validating credentials, which it is reasonable to assume most entities already possess[174].

[172] The one-off costs for PO2 are higher than those for PO1 due to the need for an additional infrastructure layer to securely connect credential issuance to individuals verified identities through national electronic identity systems. The costs for PO3 are anticipated to be roughly 10% higher than those estimated for PO2.
[173] Feedback from DC4EU and proof of concept on the enhanced EHIC.
[174] This was confirmed by Member State representatives during interviews as part of the study on digitalisation. In specific contexts, such as smaller clinics or regional healthcare providers with limited digital capacity, only a few purchases of smartphones or tablets may be necessary. These costs are expected to be minor and negligible compared to broader infrastructure or software deployment expenses.

Cost variations will primarily depend on implementation scope, as well as additional features and integration levels into national systems. **The roll-out of the verifier application** could follow three scenarios:

- **Verifier application scenario 1 – Single common application for all Member States in the social security coordination sector:** An EU-developed application, with local language options and minor national configurations would maximise efficiency and interoperability, minimising duplication, but requires robust governance to manage updates, maintenance and align with national contexts.
- **Verifier application scenario 2 - Single base application adapted for each Member State:** An EU-developed application customised by each country, balancing efficiency and flexibility, thus enabling adaptation to specific national contexts.
- **Verifier application scenario 3 - Separate national application(s) developed in parallel:** Each Member State develops its own application(s) based on common standards, allowing greater national customisation but leading to higher costs.

Scenario 1 offers the lowest cost but is unlikely to occur as it would face significant governance hurdles[175]; consequently scenarios 2 and 3 are considered more feasible.

The set-up costs for the verifier application can be confidently estimated, drawing on insights from the DC4EU pilot, the proof of concept on enhanced EHIC, other stakeholder input and available literature. The **one-off development cost** for a single verifier application is estimated at EUR 150,000 for all policy options[176], with total EU application development costs summarised in Table 6. Table 6 Total EU one-off costs for application development (initial three years, for all policy options, million EUR)

Total EU one-off costs for application development	
Verifier application scenario 2 – single base app adapted for each Member State[177]	**1.6**
Verifier application scenario 3 – one app per Member State[178]	**4**

One-off **onboarding** costs are estimated at **EUR 36.000 per verifier**[179]. This number includes all the elements indicated in table 5 of Annex 4 under the cost category "Verifier Application". **Total EU one-off onboarding costs depend on the total number of verifiers in the EU. This number is** more complex to define as it will depend on the organisation of the diverse and

[175] This was confirmed during a Working Party of the AC on ESSPASS.
[176] Input from DC4EU, the proof of concept on enhanced EHIC and interview with Denmark as part of the study on digitalisation in SSC. This estimate is consistent with stakeholder inputs and typical costs for applications of similar complexity suggesting costs of EUR 185,000 to EUR 200,000 (see Annex 4).
[177] This includes only the costs for adapting the EU-developed app at Member State level (thus excluding the costs of the components developed centrally and reused as-is).
[178] This considers the costs of the full development of one app per each Member States. Calculations based on data provided by DC4EU.
[179] Based on inputs from DC4EU, see Annex 4.

numerous verifiers. While this might be simple for portable document A1 (due to the fewer potential verifiers), it is considered one of the most challenging aspects[180] for EHIC, given the vast number of potential verifiers across thousands of clinics, hospitals and practices.

Two illustrative extreme possibilities are considered for onboarding for both portable document A1 and EHIC: (i) **a single central verifier per country**, such as a national inspectorate or a central authority for all healthcare providers, and (ii) **multiple decentralised verifiers**, like hospitals[181]. Figures for these two possibilities are presented in Table 7. The figures in table 7 are calculated as follows:

- The table contains the total costs for portable document A1 and EHIC, both for the development of the application and the onboarding of verifiers.
- For the rows related to 'one single central verifier', one verifier per Member State is considered for each document (one for portable document A1, one for EHIC);
- For the rows related to 'multiple decentralised verifiers', it is assumed:
    - For portable document A1, one verifier per region is estimated, for a total of 381 regions. These regions do not correspond to statistical regions but rather reflect administrative organisations and how the system would likely be implemented in practice.
    - For EHIC, a total of 10000 verifiers (healthcare providers, hospitals, etc.) is estimated.

Table 7 Total EU one-off costs for application development and verifiers onboarding (initial three years, for all policy options, million euro)[182]

Total EU one-off costs for application development and verifiers onboarding		
Verifier application scenario 2	One single central verifier	**5.2**
	Multiple decentralised verifiers	**~ 373**
Verifier application scenario 3	One single central verifier	**10**
	Multiple decentralised verifiers	**~378**

Given the wide variety of the costs depending on the number of verifiers, for the calculation of a reference estimate, the analysis assumes Member States will seek to streamline

[180] Inputs from Member State representatives as part of the study on digitalisation and in regular AC meetings.
[181] For portable document A1, the decentralised scenario assumes regional labour inspectorate offices, for the EHIC individual hospitals (approximately 10,000 public hospitals acting as verifiers in total).
[182] Calculations based on data provided by DC4EU. See Annex 4.

implementation and contain costs, particularly for EHIC, which has a large and fragmented verifier landscape. Hospitals in Europe often use shared management structures within the same cities or regions. Accordingly, the reference estimate for EHIC does not assume one verifier per healthcare provider, which would result in disproportionately high costs, but rather a more aggregated verification model, with approximately one shared verification infrastructure every four hospitals.

Based on this, the total **estimated one-off EU costs for application development and verifier onboarding are about EUR 107.7 million, consistent across the three policy options**[183].

Recurrent maintenance and update costs of verifier application are estimated at 15% of development costs annually (Table 8).

Table 8 Total EU recurrent costs for verifier application (12 years as from year 4, for all options, million EUR)

Total EU recurrent costs		
Verifier application scenario 2	One verifier	**9.4**
	Multiple verifiers	**672.5**
Verifier application scenario 3	One verifier**:**	**18**
	Multiple verifiers	**677**

Costs for trust framework

Establishing the trust framework involves only one-off costs related to key components which are assumed to apply across all policy options, as detailed in Annex 4 (elements under "Trust framework" cost category in tables 2, 3 and 5). Overall costs are expected to be comparable across policy options (Table 9)[184].

Table 9 Total EU one-off costs for trust framework

One-off costs for trust framework (for all policy options, million EUR)		
Social security institutions		**1.2**
Other administrations (portable document A1 verifiers)	One verifier	**14**
	Multiple verifiers (assuming one verifier per region)	**15**
	One verifier	**15**

[183] This assumes one verifier per region (for portable document A1) and one verifier every four hospitals (for EHIC). See Annex 4 for an explanation of these assumptions.
[184] See Annex 4 for all assumptions and calculations.

One-off costs for trust framework (for all policy options, million EUR)		
Healthcare providers (EHIC verifiers)	Multiple verifiers (assuming 10000 public hospitals)	**44.5**
Total		**29.5 – 61**

Legal and regulatory adaptation

The one-off costs such as amending national legislation or conducting data protection impact assessments under the GDPR are not expected to be substantial. They are comparable across policy options and estimated to **range between EUR 600 000 and EUR 700 000 for the EU**[185].

Overall summary

The overall summary of the reference estimates costs for policy options (PO) is presented in Table 10[186].

Table 10. Summary of total EU costs (million EUR)[187]

Core components	Frequency	PO1	PO2	PO3
Issuing infrastructure	One-off	38.5	44	48.5
	Recurrent (cumulative)	69	78	85
Verifier application	One-off	107.7		
	Recurrent (cumulative)	193		
Trust framework	One-off	29.5 - 61		
	Recurrent (cumulative)	n/a		
Compliance and legal adaptation	One-off	0.6 – 0.7		
	Recurrent (cumulative)	n/a		
Total one-off		176 - 208	182 - 213	186 - 218
Total recurrent (cumulative)		262	270	278
Total		438 - 470	452 - 483	464 - 496

[185] Ibid.
[186] A more comprehensive table is available in Annex 4.
[187] All the costs included in the table refer to mandatory implementation of the policy options. One-off costs refer to investment costs incurred once (upfront). Recurrent costs are annual costs, which are presented in the table on a cumulative basis. These have been calculated by multiplying the annual costs by 12 years, reflecting the assumption of a three-year set-up period before the recurrent costs start to apply.

Source: Based on the study on digitalisation in social security coordination

Other economic impacts

Impact on competitiveness and the single market

Impacts on competitiveness are mainly assessed qualitatively based on stakeholder consultation and sectoral evidence[188]. The three policy options are expected to positively impact businesses operating within the single market, especially those posting workers abroad. The measures common to all policy options - specifically setting deadlines for issuing portable documents A1, bringing convergence in information requirements across Member States, facilitating future interoperability between national portable document A1 portals and the forthcoming EU portal for posting declarations (e-declaration) – along with improvements in the verification processes (see section 0)[189] - are anticipated to ease businesses' compliance with requirements and operations. These measures should result in administrative simplification by reducing hurdles, diminishing reliance on external consultants, shortening A1 form wait times – currently 2 - 4 weeks or longer in some countries[190] - and reducing repetitive information submission[191].

SMEs, which make up 99% of EU businesses[192] and are prevalent in sectors where posting activity are more common – such as construction[193], services sector[194] - are expected to benefit more than large companies. They tend to face more difficulties in complying with portable document A1 requirements due to limited administrative capacity compared to larger companies[195]. Complexity and requirements for cross-border service providers when posting their workers abroad rank prominently among the barriers identified during stakeholders' consultations, workshops and reports on the single market. Administrative simplification helps reduce barriers to the free movement of people and services, thereby encouraging businesses to expand their operations across borders[196].

Improved cross-border access is likely to attract investment, fostering economic growth and contributing positively to overall market competitiveness, though the magnitude cannot be precisely quantified (see Annex 5).

[188] See Annex 2.
[189] Business Europe called for ESSPASS to help reduce the administrative burden faced by employers: 2025-01-22_businesseurope_mapping_of_regulatory_burden-d55-1.pdf.
[190] See section 0.
[191] During the Single Market Strategy's consultations, stakeholders advocated for simplifying SSC procedures through digitalisation, Single Market Strategy - Synopsis report. See sta
[192] https://www.europarl.europa.eu/erpl-app-public/factsheets/pdf/en/FTU_2.3.2.pdf
[193] FIEC reported that construction industry generates about 7.9% of EU GDP and provides more than 12 million jobs – that is, 6.4% of EU total employment. Among its 3.8 million enterprises, 95% are SMEs with less than 20 workers. Whereas the construction industry is first and foremost a local-based industry, construction workers represent a very significant share of the posted workers.
[194] Posting of workers Report on portable document A1 issued in 2023, page 32.
[195] In a position paper, SME United stated that effort involved for SMEs with the A1 form is generally disproportionate to the service provided, welcoming the introduction of ESSPASS. See section 0.
[196] See SMET report https://ec.europa.eu/internal_market/smet/_docs/2024/smet-report-2024_en.pdf: the impacts of some of the administrative requirements and complexities are discouraging the free movement of services in the Single Market and thus shrinking the positive contribution of the Single market to the competitiveness and resilience of the European economy.

PO3 is anticipated to have the highest impact on competitiveness (+++), as faster documents verification reduces costs and administrative hurdles for companies, thereby making them more competitive.

Impact on digitalisation and innovation spillovers

The three policy options offer distinct contributions to the EU's broader digitalisation and innovation objectives, particularly in terms of alignment with electronic digital identity and interoperability standards, the reuse of existing building-blocks and solutions, and the innovation spillovers across sectors and borders.

PO3 is expected to have the most positive impact due to its comprehensive approach: standardisation of processes across Member States for both EUDI wallet-based and enhanced physical credentials. This promotes both innovation and inclusivity, setting a strong foundation for building on existing EU digital solutions (see coherence analysis in Chapter 0) while ensuring accessibility for those not yet ready to utilise digital tools. It would contribute to the 2030 digital decade goals, notably by helping accelerate the digital transformation of cross-border public services and the use of electronic identity means,[197] and to the completion of the EU digital single market[198]. It would also support the Commission's innovative agenda seeking to boost competitiveness through initiatives like the 28th regime, thanks to streamlined digital processes facilitating companies' operations across borders. Although it is not possible to estimate the exact size, even assuming the smallest reasonable impact, the option would still make a significant positive difference relative to the baseline.

Social impacts

Compared to the baseline, the three policy options are expected to have an overall positive social impact, including on fundamental rights. They should **facilitate the coordination of social security systems** by **easing the access to social security benefits and healthcare** across Europe (Articles 34 and 35 of the Charter of fundamental rights of the European Union), through improved proof and verification of social security rights and insurance status of individuals moving across the EU[199]. No reduction in the baseline level of protection has been identified.

By ensuring social security rights and entitlements are more easily verifiable and transferable through simplified procedures and reduced administrative processing times, the options are expected to have a positive impact on the effective exercise of **free movement of persons and workers** - under Article 45 of the Treaty on the Functioning of the European Union (TFEU) and Articles 15 and 45 of the Charter of fundamental rights of the European Union (see section

[197] The eGovernment Benchmark 2025 emphasise that cross-border digital services are essential for an integrated digital single market and for individuals and businesses mobility, but significant challenges remain. These services remain consistently less mature than services for national users. There is roughly a 25-point gap between national online availability and cross-border availability for key services. Cross-border users still face interoperability issues, such as lack of harmonised electronic identification (eID) acceptance from other Member States.
[198] According to a study of the European Parliamentary Research Service, completing the digital single market could generate benefits of around 110 billion euro annually.
[199] This was confirmed by stakeholders participating in the call for evidence and public consultation. See Annex 2.

0[200] and 6.1.1) and the **freedom to provide services**, as enshrined in Article 56 of the TFEU and Article 16 of the Charter. Workers would be more likely to take advantage of cross-border job opportunities and businesses more eager to operate across-borders[201]. The options do not introduce any limitations on these freedoms.

The options are anticipated to facilitate easier verification of social security entitlements throughout Europe, by enabling authorities to instantly confirm the validity of social security documents and by promoting the use of common standards and procedures. This, in turn, would strengthen effective compliance with applicable rules, support more timely enforcement actions, thereby reducing opportunities for fraud, abuse and social dumping.

Receiving directly requested portable documents A1 would enhance transparency and fairness in working conditions, providing workers **with a clearer understanding of their rights and entitlements related to social security when posted abroad**. With full knowledge of their social security arrangements, **workers become less susceptible to fraudulent practices**. They also gain easier access to benefits they might be entitled to in the host country[202], helping maintain a **standard of fairness where workers receive the protections and benefits due to them** (see sections 0 and 0).

Stakeholders emphasised the importance of enhancing **user-centricity** and have **strong data protection requirements**[203]. Under policy option 1, the use of QR codes for document verification would necessitate strong safeguards to mitigate risks related unauthorised scanning of QR codes and potential tampering with the code's data. Policy Option 2 would prioritise the highest privacy-by-design features with EUDI wallets and full control over data as individuals would be able to share what is strictly needed for verification, have easy access to all their data and shared them upon consent. However, it would not improve protection where non-enhanced documents are used. **Policy Option 3 is expected to bring the highest positive impact**, enhancing data protection by giving users control, minimising data exposure, and ensuring GDPR-compliant, secure, and transparent handling of personal data when using EUDI wallets and benefitting from legal safeguards when relying on enhanced physical attestations.

The three options are also likely to have a positive impact on the **right to good administration** under Article 41 of the Charter of fundamental rights of the European Union. By simplifying procedures and reducing processing times, the options are anticipated to ensure that requests and operations are handled within a reasonable time, enhancing legal certainty for individuals and businesses.

The options would **enhance trust in cross-border public services, including through increased transparency.** Survey evidence suggests that a solution for instant verification of

[200] Draghi report on the future of European competitiveness. See What is the problem? 0. Respondents to the public consultation also confirmed that (Annex 2).
[201] See section 070.
[202] This was highlighted by stakeholders in response to the call for evidence on ESSPASS. EurECCA and ETF reported cases where individuals faced difficulties accessing healthcare due to verification failures and considered ESSPASS capable of mitigating such situations.
[203] Surveys and interviews as part of the study on digitalisation. Among 71 survey respondents, 38 highlighted the importance of increased user control, while interviewees emphasised strong data protection and granular access control as crucial for public trust.

portable documents and the EHIC would promote **equal access to services**[204], **reducing the risk of indirect discrimination** under Article 21 of the Charter of fundamental rights of the European Union and ensure accessibility and fairness so that everyone, including people with disability, can participate on an equal basis.

Policy **Option 3 ensures a greater positive social impact by fostering inclusion and fairness for all individuals, thus increasing trust**. It achieves this by combining the advantages of using standardised EUDI wallets - with offer robust cryptographical security - with (printable) enhanced credentials that adhere to consistent verification standards, as an alternative for those who prefer not to or are unable to use digital tools. Consequently, it is expected to result in fewer problems and facilitate smoother access to benefits and healthcare services.

Environmental impacts

The environmental impacts of the three policy options are positive because of reduction in the use of physical documents and plastic cards due to digital requests, issuance, and verification of documents, cutting down physical document handling, and reducing in-person office visits. For the EHIC specifically, substantial reductions in plastic card issuance are anticipated for all mandatory options, with quantifiable impacts calculated based on key assumptions[205]. Under **policy option 1 and 3** transitions from plastic EHIC cards to electronic versions, is assumed to **reduce plastic use by up to 1,482 tonnes** and **saving up to 161 million euros**. **Policy Option 2** combines plastic and wallet-based digital credentials, leading to **reductions in plastic usage of up to 1,012 tonnes**, with **savings of up to 124 million euros**.

The report assumes the full phasing out of plastic cards under PO1 (replaced by pdf documents enhanced with QRcode) and PO3 (replaced by wallet-based and pdf enhanced with QRcode documents), whereas PO2 retains plastic EHICs for non-wallet users.

Although increased use of digital solutions may raise energy consumption, stakeholders consulted did not consider such impacts significant.

How do the options compare?

This section evaluates the relative performance of each policy option by assessing their **effectiveness** in achieving the objectives, their **efficiency** regarding cost-benefits ratios, and their **coherence** with broader EU policy objectives. The **options are scored** on a scale from '-/+' to '---/+++' based on their impact relative to the baseline. A single '-/+' indicates a minor effect, while '--/++' and '---/+++' signal a moderate and significant impact respectively. The measures common to all policy options are expected to increase the performance for all considered criteria.

[204] Survey and interviews as part of the study on digitalisation. Approximately 39 out of 71 of survey participants strongly concur that implementing a real-time verification solution would significantly enhance trust levels. Additionally, 38 respondents strongly agree that such a solution would empower individuals with greater control over their personal data.

[205] See Annex 4. The use of digital tool may increase energy consumption, but such impacts were not identified as significant by stakeholders consulted as part of the study on digitalisation in SSC.

Effectiveness

While each option is expected to achieve the defined policy objectives (sections 4.1. and 4.2.), they demonstrate varying levels of effectiveness. Options are assessed along different dimensions (table 11).

For the **specific objective 1 (S01)**, all policy options successfully **streamline processes and reduce manual interventions**; however PO3 offers the most comprehensive improvements and the broadest potential for simplification compared with the baseline (+++), while recognising that the actual impact will ultimately depend on the level of wallet uptake. The digital verification of documents, whether stored in the EUDI wallets or as enhanced physical documents, is expected to significantly reduce the length of processing time and manual interventions required[206]. The verification is estimated to take only a few second for wallet-based credentials and around 1 minute for enhanced non-wallet documents documents whereas under the baseline the verification time is between 5 and 16 minutes for the portable document A1 and 2 to 5 minutes for the EHIC. The effectiveness of the PO1 is assessed as medium (++), as time is still needed for the visual inspection of ID documents (around one minute). PO2 is considered less effective (+) because paper-based processes continue to exist whenever the EUDI wallet is not used, meaning that the same verification challenges as in the baseline will persist and constrain the overall reduction in manual operations and processing time. This despite the gains expected when the wallet is used, with an assumed 75% rate of wallet use and 25% non-use, which further underlines the compatively stronger performance of PO3 in achieving S01. Regarding **specific objective 2 (S02)**, which targets the **strengthening of cross-border interoperability through the convergence of documents' formats, data models, and verification methods across the EU**, both PO1 and PO3 scores positive compared to the baseline by ensuring consistent standards across digital and physical formats, thereby improving interoperability and reducing fragmentation in how credentials are issued and verified. However, PO3 goes further by embedding a stonger level of security in data exchange and fraud resistance, combining high identity assurance with robust cryptographic verification within EUDI wallets, which directly supports high cross-border interoperability (+++). The effectiveness of PO2 is assessed as minor (+) only because it does not sufficiently address vulnerabilities linked to the continued used of purely physical format. By not implementing standardised formats, data models and verification processes for scenario where EUDI wallets are not used, PO2 leaves gaps in interoperability and trust. Moreover, from a fraud-prevention perspective, PO2 is less effective, as individuals intending to commit fraud are likely to circumvent wallet-based solutions and rely instead on non-standardised, purely physical documents, which are more difficult to systematically verify.

For **specific objective 3 (S03)**, concerning the **enhancement of user-centricity, awareness, and control over data**, P03 is assessed as having the highest effectiveness (+++). This policy option significantly empowers individuals and businesses by placing users firmly at the centre, ensuring they can choose how to access and present their credentials, while still benefiting from secure, privacy-preserving verification when using the wallet. It guarantees universal access to services, accommodating the needs of all users and preventing the marginalisation of those who are either unable or prefer not to use digital tools. This includes persons with disabilities, older persons, or others who may face barriers to digital access. At the same time, the use of EUDI

[206] 95% of respondents to the public consultation believe that using the European digital identity wallets would simplify storage and verification of social security coordination documents.

wallets provides stronger data control and transparency, as users can decide which data is shared and with whom, and can rely on trusted verification mechanisms providing reassurance that the verifier is a trusted entity. PO1 is rated at a medium level of effectiveness (++). While PO1 offers enhanced documents that can be either printed or stored electronically, and verifiable in all cases, it does not provide advanced user-centricity features, as it does not support granular user control over data sharing (for example selective disclosure of attributes) or real-time consent management, nor does it systematically reassure users that the verifier is a trusted entity within a regulated ecosystem. As a result, although PO1 improves reliability and accessibility of documents, it falls short of fully empowering users in terms of privacy, transparency, and control over their data. PO2 is assessed as less effective (+), primarily because its benefits are limited to scenarios where EUDI wallets are actually used. In wallet-based interactions, PO2 can improve user-centricity by enabling secure storage and verification of documents, and by allowing users to manage their credentials within the wallet environment. However, in situations where users do not use a wallet, PO2 relies on non-enhanced documents that do not offer additional features for data control, selective disclosure, or assurance regarding the identity and trustworthiness of verifiers. This creates a clear disparity in user experience: users with wallets benefit from improved control and transparency, while non-wallet users see no substantive change compared with the baseline, thereby limiting the overall effectiveness of PO2 in enhancing user-centricity. In summary, PO3 is more effective because it systematically combines the advantages of EUDI wallets with inclusive, non-digital options, ensuring both high levels of control and awareness for wallet users and equitable access for non-wallet users. PO1 delivers important improvements in document reliability but lacks advanced mechanisms for user control and trusted verification, and PO2's benefits are constrained to wallet users, leaving non-wallet users without meaningful enhancements in user-centricity.

Table 11. *Overview of effectiveness rating of policy options against the baseline*

SO1	Options	**PO1M**	**PO2M**	**PO3**
	Rating	++	+	+++
	Criteria for comparing options	- *reduction in processing time for requesting, issuing and verifying documents (faster processing)* - *extent to which manual interventions are minimised*		
SO2	Options	**PO1M**	**PO2M**	**PO3**
	Rating	++	+	+++
	Criteria for comparing options	- *use of standard formats and verification,* - *ease of access to social security benefits and healthcare,* - *level of security in data exchange.*		
SO3	Options	**PO1M**	**PO2M**	**PO3M**
	Rating	++	+	+++

	Criteria for comparing options	- *the degree of control, awareness and autonomy of individuals over their data* - *how user-friendly and flexible the options are in accommodating different preferences, such as digital versus physical format.*

Efficiency

Efficiency is evaluated in terms of the benefits of each option relative to its associated costs. Because not all benefits can be expressed in monetary terms, efficiency assesment takes into account also non-monetised benefits, such as social benefits, including better access to social security and healthcare services, enhanced fairness, and the safeguarding of fundamental rights, competitiveness benefits, spillovers into digitalisation and innovation (table 12).

PO3 is considered the most efficient option, with a score of ++ due to its ability to deliver extensive benefits relative to the costs involved, when compared against the baseline scenario. If only monetised costs and benefits are considered, options PO1 and PO3 perform similarly, as both have comparable benefit-cost ratios[207]. However, option PO3 generates high non-monetary benefits and therefore shows higher overall efficiency. It provides stronger security, as digital documents are securely stored in the EUDI wallets and linked to the holder's Person Identification Data (PID), ensuring that both the document and the individual's identity can be verified at a high level of assurance, as required by the EUDI framework. PO3 also delivers high social, digital, innovation, competitiveness, and environmental benefits (see chapter 6). The total efficiency for option PO2 is the same as in baseline when wallet is not used. While the benefit-cost ratio is less than one (i.e. the increase in benefits is smaller than increase in costs), it creates some non-monetary benefits, however, they are rather low (small).

Table 12. Overview of efficiency rating of policy options against the baseline

Options	***PO1M***	***PO2M***	***PO3***
Rating	**+**	*0*	**++**
Criteria for comparing options	*cost-savings from faster checks and more effective fraud prevention; social benefits, including better access to social security and healthcare services, enhanced fairness, and the safeguarding of fundamental rights; environmental impact, aiming for reduced plastic consumption and minimised paper usage; competitiveness benefits; spillovers into digitalisation and innovation; total costs.*		

Coherence

Coherence assesses the policy options alignment with the fundamental rights of the EU and how they integrate with existing EU policy frameworks, and fits into the broader legal, digital, and policy landscape without undermining or duplicating other initiatives. It also encompasses

[207] See section 6.1, tables 2,3, section 0, table 10 and section 6.3 and the sensitivity analysis in Annex 4.

core European priorities such as facilitating free movement within the single market, enhancing access to social security and advancing the digital and green transitions.

The three policy options are assessed as coherent, with PO3 being the most coherent (+++). PO3 aligns very well with broader social and labour mobility goals by effectively supporting the application of social security coordination rules and aligning with the European Pillar of Social Rights. It seamlessly integrates with ongoing EU digitalisation efforts, building on existing initiatives and frameworks like the SDG Regulation, the EUDI framework, and the Interoperable Europe Act, rather than introducing a separate system. By leveraging these existing frameworks, PO3 minimises risks of duplication and inconsistencies, and helps reduce fragmentation between heterogeneous national solutions. It is also very coherent with the core e-government principles (see chapter 0) and the GDPR and it provides a balanced approach to digital and non-digital solutions by supporting secure digital processes while maintaining the possibility to request physical documents where necessary. PO2 achieves moderate coherence by relying on existing EU solutions, but it does not introduce differences compared to the baseline in dealing with non-digital formats. PO1 embraces standardisation, but it does not fully integrate digital and non-digital solutions within the broader EU digitalisation landscape. As a result, its coherence is positive but limited, as it does not leverage existing digital frameworks and may leave room for duplication of efforts.

Table 13. Overview of coherence rating of policy options against the baseline

Options	**PO1**	**PO2**	**PO3**
Rating	+	++	+++
Criteria for comparing options	*Integration with existing EU policy frameworks, without undermining or duplicating other digital initiatives*		

Subsidiarity and proportionality

Each policy option respect the **principles of subsidiarity and proportionality** as they do not go beyond what is necessary and appropriate for the EU action. They create an EU solution for the request, issuance and cross-border verification of social security coordination documents, ensuring interoperability, digital exchange and mutual recognition of existing credentials, without interfering with national social security schemes, for instance they do not harmonise benefits rules. Option 2 and 3, achieve greater proportionality, relying on existing EU framework, notably the EUDI framework and its component, instead of building a completely new solution.

Table 14: Overview of overall option rating against the baseline

Category	Impact	PO1	P02	P03
Economic impact	**Implementation costs (total)**	438 – 470	452 - 483	464 - 496

Economic and environmental **Economic**				
	Benefits: (faster verification, reduced fraud, reduced consumption of plastic)	317-324	180-282	330-643
	Net monetised benefits	(-121)-154	(-272) - (-201)	(-134)-147
	Benefits: reduced up-front payments needs	+++	++	+++
	Benefits: competitiveness and the single market	++	++	+++
	Benefits: digitalisation and innovation spillovers	++	++	+++
Social impact, including on fundamental rights		++	++	+++

Preferred option

A solution built on the EUDI framework and enhanced social security coordination documents

Option 3 is the preferred choice as it is the most effective in achieving the objectives, the most efficient in terms of costs and benefits, and ensures the highest level of coherence with other EU policies. It adheres strictly to the principles of subsidiarity and proportionality, ensuring that the proposed intervention does not go beyond what is necessary to address the identified problem. This option would **effectively address the existing challenges** faced by individuals, businesses, national authorities and healthcare providers **by reducing reliance on paper-based processes** through standardised, simplified procedures for requesting, issuing and verifying portable documents and the EHIC across-borders. This approach facilitates **extensive interoperability** and recognition of documents throughout the EU, **granting individuals and businesses extensive choice and control over their data** storage and presentation by enabling them to utilise the EUDI wallet or opt for enhanced documents. In terms of security and trustworthiness, digital credentials are cryptographically signed and issued by trusted authorities, ensuring authenticity, integrity, and non-repudiation, allowing them to be instantly checked without the need to contact issuing authorities. This advancement not only streamline processes, mitigating delays caused by manual checks, but also reduces the risks of forgery and errors, ensuring more secure and reliable interactions. From a **cost-benefit perspective**, option 3 would represent the most efficient use of resources, offering the best social and economic returns. **Although it requires substantial resource investment, it brings important benefits from cost savings due faster checks, improved fraud prevention, environmental benefits, enhanced trust and fairness as well as other social benefits**. This option also **contributes**

significantly to advancements in simplification, digitalisation and innovation, without widening the digital divide. The use of EUDI wallets to store and share documents like the EHIC (with its broad circulation) would significantly accelerate the adoption of these wallets fostering a broader digital economy ecosystem. Moreover, mandating the issuance of social security coordination documents in the EUDI wallets lays the foundation for integrating at a later stage, through sector-specific legislation, other documents relevant for labour mobility[208], such as the information currently included in labour and social identity cards utilised in the construction sector in some EU countries[209]. This approach would ensure that an individual can conveniently present, and authorities can reliably verify, all required documents via a single trusted digital wallet.

Option 3 is **coherent with other EU digital initiatives and policy frameworks**, **including the GDPR, and with efforts to build a fairer Europe and strengthen its social dimension in line with the principles of the European pillar of social rights**. It supports the European goals of promoting free movement and fair labour mobility, enhancing cross-border access to social security and healthcare while advancing digital transformation. The option fully **adheres to the core e-government principles**[210]: i.) digital by default, promoting digital procedures as preferred choice, while still offering alternative options, ii.) once-only principle, reducing redundant data submission, iii.) interoperability by design, facilitating cross-border recognition of documents and reducing fragmentation, iv.) user-centricity, putting people at the centre[211] and ensuring predictable processing times, v.) inclusiveness and accessibility, guaranteeing equal access to all, notably people with disability, elderly people and individuals with limited digital skills by offering the option to request a printable enhanced document, v.) trustworthiness and security, promoting the protection of personal data and high security standards vi) cross-border by default, establishing services available across-borders and reducing unnecessary barriers to mobility. The option is also coherent with several Sustainable Development Goals. More details are provided in Annex 3.

Stakeholders[212] revealed broad support for this option across the various consultations.

Given the cross-border nature of the problem and the need to prevent regulatory fragmentation, a Regulation is considered as the most effective and proportionate legal instrument to achieve the defined policy objectives, ensuring uniform application across Member States. This Act would lay down the legal requirements governing the digital solution, establish a clear governance for digitalisation in social security coordination, uphold rigorous data protection standards, with clearly delineate roles and responsibilities of the various actors involved in data processing, as well as accessibility requirements. The technical architecture and specifications of the solution would be defined through implementing acts. A user journey is presented in Annex 3.

[208] This is already foreseen in the proposal on the e-Declaration for posting.
[209] This was stressed by several participants in the High-level meeting on digitalisation in SSC.
[210] 2030 Digital Compass and Tallin Declaration on e-government.
[211] European Digital Rights and Principles.
[212] See Annex 2. This was also confirmed in the ESSPASS public consultation. The most preferred format was a standardised digital format combined with a physical format with enhanced security features for those not using digital tools, selected by 109 respondents (67%). Moreover, 95% of respondents reported that integrating documents into EUDI wallets would simplify storage and verification.

Application of the 'one in, one out' approach

The are no expected administrative costs. The option would improve processes related to the request, issuance and verification of portable documents and EHIC. By simplifying existing procedures and reducing unnecessary delays, it would bring a positive impact on businesses and their operations across borders (see Annexes 5 and 6).

How will actual impacts be monitored and evaluated?

A comprehensive draft monitoring framework has been designed to monitor the implementation and evaluate the initiative's impact, ensuring that it remains fit for purpose and achieve the intended objectives. The Commission will also contribute to ensuring correct and timely implementation of the preferred option. Progress will be tracked through a set of operational, result, and impact indicators linked to the specific objectives (see Annex 12). The Commission, in close cooperation with Member States, will regularly collect and analyse data - leveraging existing reporting mechanisms - to identify implementation gaps, assess the efficiency of the measure, and provide the necessary evidence base for a future evaluation. The monitoring framework will undergo further refinement based on the ultimate legal specifications and implementation schedule. The initiative could be evaluated no sooner than seven years following its entering into force to assess the actual impacts against the baseline scenario established in this report. This would account for a 36-month transposition period by Member States, and ensuring adequate time to get meaningful data on the application of the legislation[213].

ANNEX 1: PROCEDURAL INFORMATION

Lead DG, Decide Planning/CWP references

DG EMPL, Unit E2, has a lead for the Impact Assessment on the European Social Security Pass. An impact assessment was validated in the Decide Planning under reference PLAN/2025/2391.

Work Programme reference: Commission work programme 2026 (Annex 1, initiative no. 25)

The Call for evidence run from 14 January to 11 February 2026. The Public Consultation was published on 22 January 2026 and finished on 16 April 2026.

Organisation and timing

[213] In accordance with the Better Regulation, an ex post evaluation requires data over a period of at least three to four years.

The impact assessment was coordinated by an Inter-Service Coordination Group (ISCG) managed by the Secretariat General. Representatives from Secretariat-General, Directorate-General for Employment, Social Affairs and Inclusion, Legal Service, Directorate-General for Mobility and Transport, Directorate-General for Communications Networks, Content and Technology, Directorate-General for conomic and Financial Affairs, Directorate-General for Maritime Affairs and Fisheries, Directorate-General for Budget , Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, Directorate-General for Trade, Directorate-General for for Justice and Consumers, Directorate-General for Health & Food Safety, Directorate-General for Regional and Urban Policy, Directorate-General for Human Resources and Security, SG REFORM were appointed to the Group.

In total, three meetings of the ISCG were organised to discuss this impact assessment (on 18 December 2025, 12 February and 5 March 2026). Comments were provided by the ISCG on the first part of the Impact Assessment after the meeting of 12 February and on the entire text after the meeting of 5 March.

Consultation of the RSB

An upstream meeting with the RSB took place on 21 January 2026.

The draft Impact Assessment was assessed by the Regulatory Scrutiny Board (RSB). The RSB delivered a positive opinion with reservations on 4 May2026. The revisions introduced in response to the RSB opinion are summarised in the table below.

RSB's requests for improvement	**Changes made to the report**
(1) The analysis of problems and their drivers is not sufficiently underpinned by observational evidence and does not differentiate between stakeholders' groups. The report should clarify the scope of the initiative regarding the portable documents to be covered in the short and longer run. Beyond the initial focus on portable documents A1 and EHIC, the report should explain the phased roll-out of other portable documents. The report should improve the problem definition, building on available evidence, in particular observational data. The problems and their drivers should be analysed with more granularity, allowing to understand the magnitude of problems faced by the specific stakeholder groups, e.g. (a) workers, differentiated where relevant by self-employed and posted workers, (b) businesses, with a possible focus on SMEs and (c) administrations. The report should also better differentiate the problems stemming from the legal base and those linked to implementation. The report should better analyse the simplification and digitalisation potential.	The report provides in section 5.2 further details on the scope of the initiative and on the phased approach for digitalisation. The assessment has been substantially enhanced by systematically integrating and expanding on the relevant material from Annexes 2, 5, 6, 7 and 9, as well as additional inputs and evidence gathered through stakeholder consultation activities, notably the public consultation results. These changes helped enhance the robustness of the analysis of the problem, ensuring that the different dimensions are clearly articulated and underpinned by the available data. Further details by stakeholder group have been provided, illustrating the specific challenges faced by different categories of stakeholders and, in particular, by businesses and SMEs (section 0 and Annex 8). By disaggregating the evidence and feedback in this way, the revised problem analysis better captures the diversity of impacts, clarifies how these groups are affected, and strengthens the overall justification for the proposed intervention.

	Stakeholder perspectives have been systematically integrated throughout the main sections of the report, namely the identified problems, the considered options, and their associated impacts. Clarifications were also provided indicating that the identified problems are primarily linked to legal shortcomings rather than to implementation issues (section 0).
(2) The specific objectives are not sufficiently SMART. The logic behind the design and structuring of the policy options is not clear. The report should frame the overarching objective more strategically and link it better to the Commission priorities. The specific objectives should be drafted in a SMARTer way, considering in this context how success will be measured. The report should improve its intervention logic by better explaining the approach for constructing the policy options and providing a more detailed description of the policy measures, especially as regards their implementation. The voluntary options should be used for sensitivity analysis only or discarded early on.	The intervention logic has been made more transparent and robust, and the description of the objectives has been refined to ensure consistency between the objectives and operational measures. The overarching objective of the initiative has been reframed in section 4.1 to ensure closer strategic alignment with the priorities of the European Commission. The specific objectives in section 4.2 were formulated in a more measurable way, providing a clearer basis for assessing progress and results and should be read in conjunction with the revised monitoring framework in Annex 12. The intervention logic has been further refined, including by explaining more clearly the inclusion of policy option 1 among the policy alternatives. The report now provides more detailed information on the envisaged measures under the selected policy options, while clearly stating that the technical design will need to be defined at the implementation stage (section 0). Additional clarifications have been introduced for instance confirming that the dual system (digital and non-digital) will remain permanent for all options, with no formal phasing out of non-digital support, and explaining that the inclusion or exclusion of verifiable digital security features determine the difference between ‘non-enhanced’ and ‘enhanced’ documents. The revised report also explains (section 6) that the voluntary sub-options were assessed and discarded, and that they are only presented in Annex 4 and reflected in the sensitivity analysis. Furthermore, the report provides additional clarifications on the measures addressing perceived duplication of administrative processes in the posting of workers (section 0) and present the various stakeholders’ perspectives (e.g. businesses ask for reduction in duplication, trade unions underline the need for transparency and workers’ rights), highlighting the importance of achieving outcomes that balance efficiency with fairness.

	To ensure full transparency, the measures common to all policy options have been explicitly integrated into the intervention logic set out in Annex 12, underscoring their role in supporting the broader policy objectives.
(3) The report does not sufficiently justify all key assumptions, in particular those driving the cost and benefit analysis. The sensitivity analysis is not sufficiently developed. The report should improve the analysis of costs and benefits based on a strengthened assessment of economic, social and environmental impacts. The key assumptions, particularly those driving the outcome of the analysis, should be transparently disclosed and justified (e.g. data sources, evidence base, related uncertainties) and where relevant be a subject of sensitivity analysis. A summary of all costs and benefits, accompanied by sufficient explanations on the cost structure, their nature (one-off vs recurrent) and distribution (who bears them) should be provided. Based on the improved analysis, the report should provide a more robust comparison of options. The coherence with existing or proposed policy initiatives (e.g. EUDI or e-declaration proposal) should be further developed.	The cost and benefit analysis was strengthened and presented more clearly, with greater transparency and justification of the key assumptions underpinning the assessment. The sources, methodologies and rationale for the main analytical choices were documented in a more detailed manner. This included, for instance, the assumption of a 75% adoption rate of the European Digital Identity wallet (section 0 and Annex 4). That uptake assumption was also tested through sensitivity analysis in Annex 4, which examined how lower and higher adoption rates would affect the projected impacts. The methodology underpinning the cost-saving estimates was further clarified and made more consistent and transparent. The key assumptions, calculations and projections were explained in greater detail. In particular, the rationale for the conservative assumption of zero fraud savings under PO2 was set out more explicitly (section 0). This assumption was also tested in the sensitivity analysis, in order to reflect the possibility that some degree of fraud reduction could also arise under PO2. The report was further improved through clearer cross-referencing between the main text and the supporting annexes. For implementation costs, the assumptions, data sources and evidence base were further refined and presented more clearly in the main report, with supporting methodological details cross-referenced more systematically to Annex 4. In section 0 on environmental impacts, the key assumptions were clarified, notably those relating to the full phase-out of plastic cards under PO1, where they would be replaced by PDF documents enhanced with QR codes, and under PO3, where they would be replaced by wallet-based and PDF-enhanced documents. By contrast, PO2 would retain plastic EHICs for non-wallet users. The report also provided additional explanation of the calculation logic and results in order to improve transparency as to how the environmental impacts were derived. Relevant aspects, including energy use, were acknowledged directly in the main report rather than only being referenced in Annex 4.

	Section 0, on the comparison of policy options, was also strengthened. In particular, a comparative summary table presenting the costs and benefits of all policy options was introduced to support the efficiency analysis.
(4) The monitoring and evaluation framework should be accompanied by well-defined indicators, data sources, baseline/benchmarks and, where relevant, quantified targets. The framework would benefit from specifying indicators that are stakeholder-specific (e.g. SMEs, verifiers, citizens, etc.). Indicators covering cybersecurity should also be included.	The monitoring and evaluation framework in Annex 12 has been strengthened by refining the indicators to ensure that they capture both outcome-related effects and process-efficiency aspects. References to stakeholders have also been added, where relevant, so as to better reflect the impacts on different groups. Quantified targets have been introduced where proportionate and operationally meaningful, together with explicit references to the underlying data sources, in order to improve transparency and consistency in measurement. In addition, cybersecurity-related indicators have been incorporated to address risks associated with digital verification, including incident frequency and severity (for example, the number of cybersecurity breaches) and compliance with security standards. These revisions are intended to ensure that the framework provides a structured, evidence-based and stakeholder-inclusive basis for monitoring implementation and evaluating results.

Evidence, sources and quality

The Impact assessment draws upon a combination of quantitative and qualitative data sources, including:

- Study by external consultants on Facilitating free movement through further digitalisation in social security coordination (forthcoming).
- Official EU statistics, notably Eurostat, statistical reports on intra-EU mobility and social security coordination.
- Relevant academic literature, EU and national policy documents and studies, EU legislation and acts, as referred in footnotes.
- Insights from stakeholder consultations and ESSPASS pilot projects, including through validation workshops, surveys, interviews, and dedicated meetings (see Annex 2).

ANNEX 2: STAKEHOLDER CONSULTATION (SYNOPSIS REPORT)

This annex summarises the outcomes of consultation activities on ESSPASS, including in the context of the external study on digitalisation in SSC. It notes the stakeholders consulted, describes the main consultation activities, and provides a succinct analysis of their views and the main issues raised.

CONSULTATION STRATEGY

Objectives and methods

In line with the Better Regulation principles, the Commission carried out consultations to ensure that the perspectives and interests of all relevant stakeholders were considered and integrated into the ESSPASS proposal. The consultation aimed to: (1) gather insights to optimise the ESSPASS initiative design (2) identify and address stakeholder concerns like privacy and data protection issues (3) foster dialogue to build consensus on the objectives, benefits and costs of the ESSPASS initiative (4) ensure stakeholder engagement throughout the entire policy-making process.

Given the technical and operational nature of the initiative and the limited availability of quantitative evidence on costs and impacts, the Commission adopted a mixed approach, combining pilot projects insight, analytical work, targeted consultations and open stakeholder engagement.

Pilot approach and early stakeholder involvement

The Commission chose to initiate ESSPASS as a pilot project, reflecting the importance of testing digital solutions in practice and involving key stakeholders at an early stage of policy development (see Annex 10). The ESSPASS proposal builds on the outcomes of this pilot phase which provided early insights into feasibility, operational constraints and governance requirements.

Consultation as part of the study on digitalisation in SSC

An external Study on Facilitating free movement through further digitalisation in social security coordination assessed, inter alia, the potential impacts and prerequisites for implementing a digital solution such as ESSPASS at the EU level. The following consultation activities were carried out:

- Two surveys:
    - One broad survey on problem definition, policy options and costs, including outreach to healthcare providers and national health contact points.
    - One targeted survey focusing on costs and benefits, to address the limited availability of evidence in this area.
- 97 stakeholder interviews including additional interviews specifically addressing costs and benefits.

- Two stakeholder workshops focusing on problem definition, policy options and validation of cost estimates.

Targeted consultations and expert exchanges

In addition to the study, the Commission conducted targeted consultation activities to complement the evidence base:

- Meetings with experts involved in ESSPASS pilot projects, focusing on operational and technical aspects;
- Seminars and exchanges under the framework of social security coordination, including dedicated meetings on ESSPASS and impact estimates;
- an Implementation Dialogue on fair labour mobility, addressing ESSPASS, enforcement and verification challenges;
- a High-level meeting on digitalisation, focusing on interoperability and considerations on the conditions for a smooth transition from pilot to ESSPASS large-scale deployment;
- a hearing of EU social partners, gathering the views of workers' and employers' organisations;
- a call for evidence on ESSPASS and another one on the Fair labour mobility package;
- a public consultation.

Other activities include a request for input from the Audit Board on EHIC reimbursement issues. Further outreach to national authorities on fraud focusing on risks and prevention. Finally, analytical support and additional data gathering was carried out by the European Labour Authority, notably on portable document A1 and impacts on labour inspectors.

Table 1: Overview of consultation activities

Consultation activity	Stakeholders involved	Main focus	Type of evidence
ESSPASS pilot projects (2023–2025)	Member State institutions	Feasibility; digitalisation of EHIC and portable document A1	Operational, qualitative/quantitative
Broad stakeholder survey - *as part of the study*	National authorities, healthcare providers, labour inspectors, national health contact points, social partners	Problems, options, costs	Qualitative, limited quantification

Targeted cost–benefit survey	National authorities (through the representatives of the AC)	Costs and benefits	Qualitative, limited quantification
Stakeholder interviews (97) - *as part of the study*	Administrations, inspectors, social partners, experts	Problem definition, objectives, options, feasibility, impacts	Qualitative and limited quantitative
Stakeholder workshops - *as part of the study*	Public authorities, social partners	Problem definition, options, impacts	Qualitative
Meetings with pilot project experts	Technical experts	Operational and technical feasibility, costs	Operational, qualitative and quantitative
Social security coordination seminars	Member State representatives	ESSPASS design, impact estimates	Qualitative
Implementation Dialogue on labour mobility	Member States, social partners, social security institutions, healthcare providers, businesses	ESSPASS, verification, enforcement and simplification	Qualitative
High-level meeting on digitalisation	High-level representatives of national authorities	Requirements for ESSPASS large-scale deployment and interoperability, pilot projects	Strategic
EU Social partners' hearing	Workers' and employers' organisations	Fair Labour mobility package, simplification, workers' rights and enforcement	Qualitative
ELA analytical support	Enforcement stakeholders	Portable document A1; inspection impacts	Qualitative, analytical
Call for Evidence (online)	All stakeholders	Problem definition; policy options	Mixed
Public Consultation (PC)	All stakeholders	Problem definition; options, impacts	Tbc - Ongoing

RESULTS OF CONSULTATION ACTIVITIES

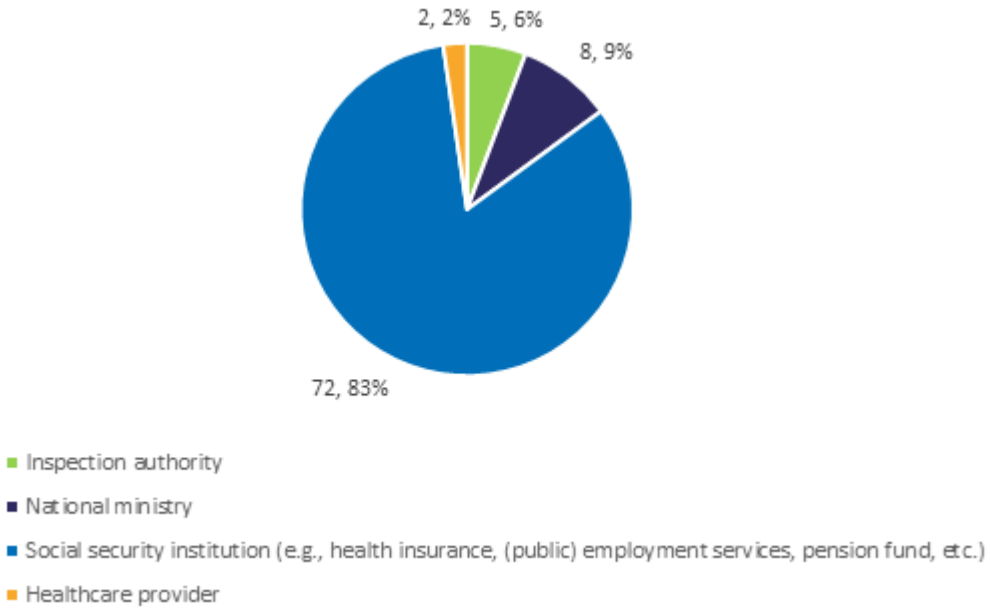
Consultation activities have taken place over 2023-2026, from the collection of initial feedback as part of the ESSPASS pilot project to the launch of the external study in 2025, to the Call for evidence launched in January 2026 to the Public Consultation that closed in April 2026.

Consultation as part of the study

(i) Targeted survey

A targeted survey was conducted via the EU Survey platform in all EU languages from 28 March to 25 April 2025. The survey was addressed to social security institutions, national ministries, healthcare providers, and social security inspectorates across the EU and EFTA countries. Its purpose was to gain a better understanding of the current situation, the needs and costs associated with a potential ESSPASS solution, and its potential impacts. Respondents provided information on the use of all Portable Documents and the EHIC, the level of digitalisation in verification processes, and the main obstacles encountered in cross-border situations. The feedback informed the analysis of problem drivers and supported the assessment of policy options, providing useful inputs across the Chapters of the report. A total of 87 responses were received, representing a diverse range of stakeholders. The majority of responses came from social security institutions (72), followed by national ministries (8), inspection authorities (5), and healthcare providers (2), as depicted in Figure 19.[718]

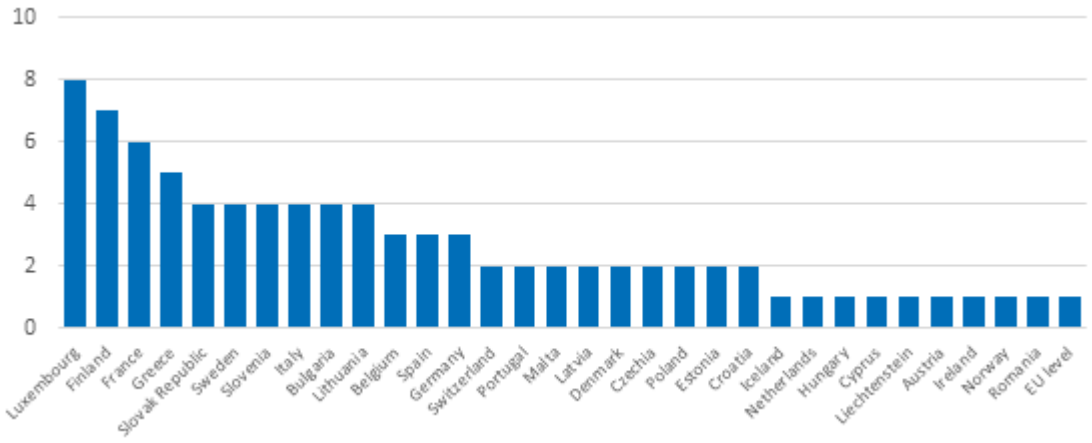
Figure 19. Stakeholder organisation distribution



N=87, Targeted survey

Geographically, the survey achieved wide coverage, with responses from 32 countries or levels (EU level responses), including most Member States and several EFTA countries (Norway, Switzerland, Iceland, Liechtenstein). The most represented countries were Luxembourg (8), Finland (7), France (6), and Greece (5), with additional input from a wide range of other Member States. A full breakdown is available in the Figure below.

Figure. Geographical distribution of targeted survey respondents

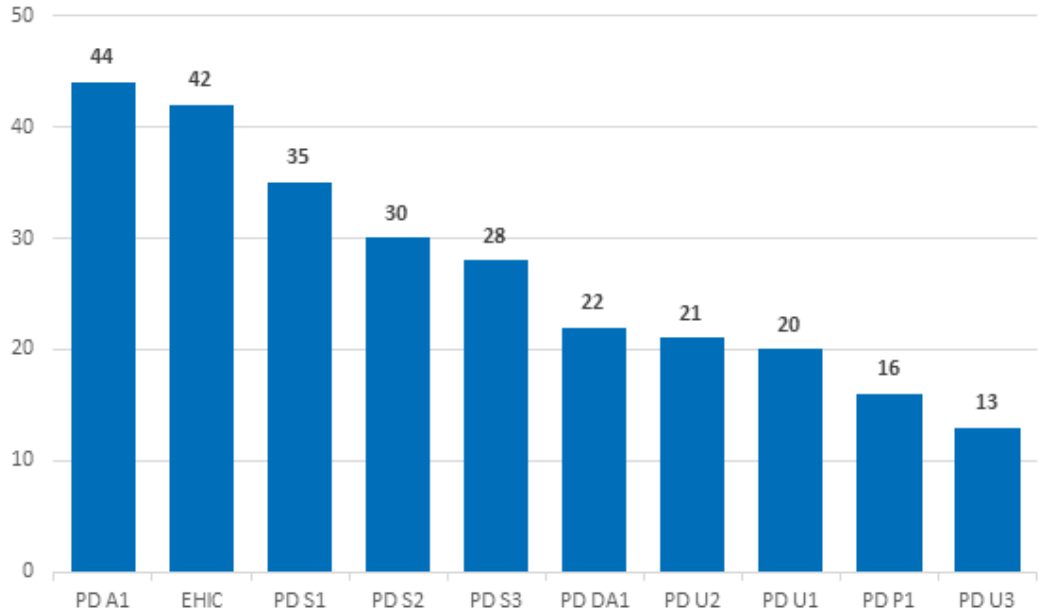


N=87, Targeted survey

Regarding the documents covered within the scope of activities of respondents, the frequency of portable documents and EHIC that respondents operate with were portable document A1 and EHIC, followed by document in the sickness sector (portable documents S1, S2, S3), portable document DA1 (work-related accidents), and unemployment-related forms (Portable document U1, U2, U3). For example, portable document A1 was mentioned by 44 respondents, EHIC by 42, and portable document S1 by 35. (see Figure 21). This reflects the centrality of these documents in cross-border social security coordination.

The survey data also highlighted some limitations, including uneven representation across stakeholder groups and countries, especially with regard to the low response rate of healthcare providers and variable completeness of responses, especially with regards to costs and impacts. As such, the findings were interpreted as indicative patterns rather than statistically representative measures. Nevertheless, the survey provided valuable insights, which were used to inform both the problem definition and the assessment of policy options.

Figure. The number of survey respondents who operate with portable documents and EHIC



N=87, Targeted survey

Following the Working Party meeting on 1 October 2025, the study team, in collaboration with the Directorate-General for Employment and social affairs (DG EMPL), prepared a second survey which closely mirrored the structure and content of the survey used during the meeting which was distributed by DG EMPL to national authorities, including both Administrative and Technical Commission members (all Member States, EAA/EFTA and UK) and received 17 responses. The aim was to collect additional, structured feedback and fill information gaps regarding costs and benefits. Respondents were encouraged to provide factual, justified answers, drawing on institutional data and practical experience.

(ii) Stakeholder interviews

In total, 97 interviews were conducted with the following stakeholder groups: academia, pilot project members, European Labour Authority, European Commission, healthcare providers, labour and social security inspectorates, national authorities / social security institutions, national ministries, social partners and technical experts.

As part of the supporting study, 16 scoping interviews were conducted during the early phase. Their aim was to deepen understanding of the key issues covered by the study, confirm and refine the design of the methodological approach and have an initial mapping of the information available to key stakeholders, as well as informing key stakeholders that the study is being conducted. The scoping interviews targeted EU institutions, agencies and bodies officials, national public authorities, as well as EU umbrella organisations representing social parties and affected stakeholders.

This was followed by 67 in-depth interviews with representatives from competent authorities, social security institutions, relevant EU bodies and social partners to gather detailed insights on current practices, challenges, to test hypotheses and collect available data for the analysis.

Finally, a third round of 15 follow-up interviews were organised with select stakeholders interviewed to validate preliminary findings, explore certain aspects further, clarify outstanding questions, and to explore the potential impacts and cost implications of the different policy options in greater detail. All interviews were semi-structured, allowing for consistency across sessions while enabling flexibility to capture context-specific perspectives.

In total, 97 interviews were performed. Interviews were conducted with the following stakeholder groups: academia, pilot project members, European Labour Authority, European Commission, healthcare providers, labour and social security inspectorates, national authorities / social security institutions, national ministries, social partners and technical experts.

(iii) Workshops

Two stakeholder workshops were held in June 2025. The first one on 12 June 2025 focused on problem definition, options and costs. The second one on 24 June 2025 verified and built upon the study's preliminary results.

The **first stakeholder workshop** brought together a broad spectrum of stakeholders, including representatives from the European Commission (DG EMPL), national ministries, social security institutions, social security inspectorates, healthcare providers, social partners, trade unions, employer organisations, and technical experts. In total, 62 participants attended the workshop. The purpose of the workshop was to corroborate the problems identified, and to discuss the potential deployment of ESSPASS. It was held online, to ensure broad participation of stakeholders.

Participants confirmed that current systems for issuing and verifying portable document A1 create significant administrative burdens, legal uncertainty and enforcement gaps, especially in the context of posting of workers. These challenges are compounded by delays, fragmented national practices and limited possibilities for real-time verification. Importantly, discussions underlined the need to clearly distinguish fraudulent behaviour from procedural or administrative errors, to avoid disproportionate consequences for workers and businesses.

A strong consensus emerged around the added value of real-time verification and digital solutions. Digitalisation was widely seen as a key enabler to simplify procedures, reduce administrative costs, improve compliance, and strengthen trust between authorities, businesses and workers. Participants highlighted the potential of interoperable digital tools, notably a European-level solution building on the EUDI Wallet, to support secure and user-friendly verification across borders.

At the same time, the workshop identified practical implementation conditions as critical to success. These include manageable integration costs, shared technical solutions to avoid duplication, structured roll-out strategies, and early investment in training and awareness-raising for all users. Participants stressed that digital solutions must be user-centric, interoperable and inclusive, and embedded in existing administrative workflows.

As a result, there was broad support for a mixed and pragmatic solution, that combines (1) a secure, interoperable digital wallet-based solution as the core system and (2) a robust analogue

fallback (e.g. paper or plastic documents with QR codes) to ensure accessibility, continuity and inclusiveness during transition phases or in cases of limited digital readiness.

Overall, the workshop concluded that digitalisation alone is not sufficient. Its success depends on being part of a broader, coordinated approach addressing legal clarity, procedural harmonisation and technical interoperability. Participants agreed that the effectiveness of ESSPASS will ultimately rely on sustained cooperation between Member States, flexible and proportionate cost models, and continuous investment in capacity-building and awareness-raising.

The **second stakeholder workshop** convened a diverse group of stakeholders that included representatives from the European Commission (DG EMPL, DG MOVE, DG GROW, DG DIGIT, DG CNECT, DG JUST, DG SANTE), the European Labour Authority, national ministries, social security institutions, employer and employee organisations, technical experts, and social partners. In total, 44 participants attended the event.

It was used to validate and further develop the study's preliminary findings, with a particular focus on remaining structural challenges in social security coordination that could be addressed through digitalisation, as well as on longer-term developments and cross-sectoral synergies with other EU digital initiatives.

Discussions confirmed that persistent barriers continue to affect effective social security coordination. These include limited interoperability between national data systems, divergences in data protection and data security legal frameworks, and constraints in the prevention and detection of cross-border fraud. Participants identified legal and technical obstacles to data exchange as a key limiting factor and underlined the need for clearer guidance, improved data governance and real-time access to relevant information for enforcement authorities, while preserving citizen control over personal data. The evolving role of the GDPR and the EUDI framework was highlighted as a central element in shaping future digital solutions.

Participants identified opportunities to align social security coordination more closely with related policy areas, notably labour law and healthcare. In particular, discussions highlighted the potential to explore synergies between the Portable documents A1 process with the proposed common electronic form for posting declarations, notably the feasibility of one-stop-shop solutions for employers. Further digitalisation was seen as a means to better support freedom of movement, including through possible integration of social security and healthcare data within the EUDI Wallet and of labour cards. Across these discussions, participants stressed the importance of coherent user journeys, common interoperability standards and a digital-first approach, supported by early and continuous stakeholder engagement.

Overall, the workshop confirmed that digitalisation offers substantial potential to simplify procedures, improve data sharing and facilitate cross-border mobility. At the same time, participants emphasised the complexity of ensuring alignment between legal frameworks, technical infrastructures and stakeholder expectations across sectors and Member States.

Results of other consultation activities

EU Implementation Dialogue on Fair Labour Mobility of 16 September 2025

The Implementation Dialogue on Fair Labour Mobility brought together 29 external stakeholders including Member State public authorities, social partners, civil society representatives, and expert groups and discussed ESSPASS as part of the Fair Labour Mobility Package. The meeting was chaired by Executive Vice-President Roxana Mînzatu and Director-General for Employment and social affairs Mario Nava.

All participants welcomed the Commission's intention to propose ESSPASS, recognising its potential to help individuals prove their social security rights in cross-border situations and enable authorities to instantly verify portable documents. Stakeholders noted this would reduce errors and fraud, support labour inspectorates, and ease administrative burdens.

Some participants from trade unions called for a more ambitious tool, suggesting the inclusion of a labour cards with employment information and interoperability with other digital platforms. They also stressed the need to modernise social security coordination in parallel, particularly to ensure fair distribution of cross-border costs and strengthen fraud prevention.

Overall, stakeholders strongly supported ESSPASS as a key digital tool for cross-border social security, while emphasising the importance of ambition, interoperability, and coherence with broader coordination reforms.

High-level meeting on digitalisation in social security coordination of 30 September 2025

The annual High-level meeting on digitalisation in social security coordination focused on the implementation of ESSPASS and gathered 78 participants (56 Member State including social security representatives and 22 EU Commission officials) to **discuss ESSPASS implementation, drawing on pilot results and examining deployment challenges, financial implications and cross-sectoral synergies between labour and healthcare**. Participants unanimously recognised the potential of ESSPASS to enhance accessibility, transparency, and efficiency in verifying social security entitlements, marking a pivotal step toward a more citizen-centred and integrated system. **The key conclusions** were as follows:

- **ESSPASS was seen as a transformative tool for citizen-centred social security.** Stakeholders agreed that ESSPASS represents a fundamental shift toward a more accessible and efficient system for real-time verification of social security entitlements, capable of simplifying administrative procedures and reducing bureaucratic burdens for individuals and employers navigating their rights across Member States.
- **Collaboration and resources were judged as critical for a successful rollout**. A successful transition from pilot to full-scale implementation was seen as requiring substantial financial and technical investment, as well as active engagement from national social security institutions, healthcare providers, and IT developers. Participants highlighted interoperability with the EUDI Wallet as particularly important to streamline access and reinforce trust in digital verification. Some participants (such as representatives from Denmark and Austria) suggested that ESSPASS's underlying infrastructure could serve as a model for other areas relevant to free movement and fair labour mobility, such as cross-border healthcare access and digital labour documentation, contributing to a unified digital ecosystem in support of EU objectives.
- Stakeholders acknowledged that challenges remain, particularly in **ensuring user-friendly design, data security, and inclusivity**. The need to address potential barriers

- such as digital literacy gaps or varying levels of technological readiness across Member States - was underscored as vital to preventing exclusion and ensuring equitable access. Additionally, the discussion touched on the importance of clear communication strategies to raise awareness among individuals and businesses about the benefits and functionalities of ESSPASS.

ESSPASS was seen by all as a catalyst for deeper integration in social security coordination, with its success depending on sustained political commitment, cross-border cooperation, and a phased approach balancing innovation with practicality.

Working party meeting of the Administrative Commission (AC) on ESSPASS of 1 October 2025

Representatives from the AC, Technical Commission and the Commission discussed the status and progress of the ESSPASS initiative. The discussion focused on lessons-learnt during pilot activities and the essential legal, organizational, financial, and technical conditions required for successful ESSPASS implementation. Another key topic was the potential costs and benefits of large-scale deployment. This focus stemmed from the need to further collect quantitative data on ESSPASS impacts and validate estimates.

In the second part of the meeting, findings from the digitalisation study, highlighting missing elements and gaps in the evaluation of potential costs and benefits for large-scale deployment. Delegations were invited to engage in an interactive feedback session using Slido to provide input related to the costs and benefits of ESSPASS. A survey was launched after the meeting to collect more comprehensive input on these issues.

EU hearing of European Social Partners on the Fair Labour Mobility Package of 6 November 2025

The European Social Partners Hearing held on 6 November 2025 was organised by the European Commission to gather feedback from European social partners (employers' organisations and trade unions), including on ESSPASS, as part of the Fair Labour Mobility Package. The consultation focused on practical implications for workers and businesses, inclusivity, and operational challenges in implementing ESSPASS.

All stakeholder categories expressed overall support for the development of ESSPASS. Employer organisations primarily viewed ESSPASS as a simplification and compliance tool, aimed at reducing administrative burden and ensuring legal certainty. Trade unions emphasised its potential as an enforcement instrument to combat fraud, bogus arrangements and social dumping, and to strengthen workers' protection.

Administrative burden, simplification and interoperability

Several employer organisations stressed the need for ESSPASS to reduce administrative complexity, particularly in highly mobile or SME-dominated sectors. **Pearle-Live Performance Europe** highlighted the disproportionate burden associated with repeated A1 applications for very short-term postings in the live performance sector and called for a system based on simplification, proportionality and interoperability. ESSPASS should integrate with existing systems (including EESSI) and avoid parallel paper and digital processes. It should

support real-time verification and a 'once-only' data approach. **HOTREC** underlined fragmentation of contribution records and lack of interoperability between national systems, particularly affecting SMEs and seasonal workers. It supported a common EU digital framework enabling automatic data exchange, real-time verification and the use of standardised EUDI wallet, reducing administrative costs and improving transparency. The **cross-industry Employers'** input called for ESSPASS to move beyond a pilot phase and become a fully-fledged instrument and called for an interoperable 'single process' merging A1 request and posting declarations, based on the once-only principle. **CEI-Bois** supported a more reliable and secure system that is harder to counterfeit and contributes to legal certainty, while reducing unnecessary bureaucracy.

Fraud prevention, enforcement and real-time verification

Worker representatives placed stronger emphasis on ESSPASS as a tool to combat fraud and improve enforcement. **ETUC** supported ESSPASS as part of a modernised social security coordination framework but stressed that digitalisation must not weaken reporting obligations. It called for real-time verification of employment and insurance status, interoperability with EESSI, IMI, ERRU and posting systems, and enhanced capacity for inspectorates to carry out cross-checks and risk assessments. ESSPASS data should be strictly limited to labour and social security purposes and not used for migration control. **EFFAT** supported ESSPASS but argued that it should go beyond digitalisation of the portable document A1 and include a European Social Security Number (ESSN). It emphasised interoperability, cross-checking capacities and workers' ability to verify their own data remotely. Use of data should remain confined to labour and social security enforcement. **In the aviation sector, Europeans for Fair Competition (E4FC)** supported ESSPASS to address alleged fraudulent use of A1 certificates and to facilitate checks on aircrew employment status. It stressed that issuing authority must be a public social security authority, not companies, to ensure authenticity and prevent abuse. Similarly, **the European Network Airlines Association (ENAA)** supported strengthened verification mechanisms to ensure fair competition and prevent alleged cases of manipulation of social security affiliation.

Workers' access to information and portability of rights

Several stakeholders underlined the importance of ESSPASS for workers' transparency and portability of rights. **HOTREC** considered that ESSPASS could provide mobile and seasonal workers with clearer access to their contribution records and entitlements across Member States. **Pearle** stressed that workers should have direct access to authoritative information on their social security coverage and cross-border history. **Eurocadres** viewed digital enforcement of social security rights as beneficial for highly skilled mobile professionals, provided it is implemented coherently with the revision of social security coordination rules and involves social partners throughout the process

Integration with the EUDI Wallet

Pearle supported expanding the EUDI Wallet to include qualifications, social security credentials and posting confirmations, provided this reduces the number of physical documents required. **HOTREC** supported inclusion of additional labour mobility documents in the EUDI Wallet to simplify cross-border employment. **ETUC** stressed that interoperability with other EU systems (EESSI, IMI, ERRU and posting declarations) is essential for enforcement

purposes. **Employers' representatives** underlined the need for synergies between ESSPASS, digital credentials and the eDeclaration system, while avoiding overcomplication or excessive data requirements.

(v.) Results from calls for evidence

Two calls for evidence were published by the Commission in relation to ESSPASS. The first formed part of the preparation of the Fair Labour Mobility Package and gathered feedback on broader labour mobility challenges, including digitalisation measures. The second was specifically dedicated to ESSPASS and focused on issues related to social security coordination and portable documents. Together, the two consultations collected both general and targeted stakeholder input to support the preparation of the initiative.

(i) Call for evidence on the Fair Labour Mobility Package

The **call for evidence on** the Fair Labour Mobility Package run from 5 January 2026 to 2 February 2026, seeking stakeholder views on the Commission's understanding of challenges related to fair labour mobility and possible policy responses, including the ESSPASS proposal. Stakeholders were invited to provide evidence on administrative burdens, enforcement challenges and opportunities linked to the digitalisation of social security coordination and labour mobility procedures.

Of the **71 submissions** received, including contributions from business associations, companies, trade unions, public authorities, NGOs and individual citizens, **37 explicitly referenced ESSPASS**. Most submissions originate from Belgium (reflecting the presence of EU-level organisations headquartered there), followed by Germany, France and Denmark.

In relation to stakeholders' categories, the majority of contributions came from business associations and companies (15) closely followed by trade unions (13). Five from NGOs and other organisations, and two contributions were received from individuals and two also from public authorities.

Integration with existing systems and implementation feasibility

Stakeholders across all categories underline that the feasibility and effectiveness of ESSPASS depend primarily on its **integration within existing digital and administrative infrastructures**. The European Transport Workers' Federation (ETF), the European Trade Union Confederation (ETUC) and the European Construction Industry Federation (FIEC) highlighted that ESSPASS had a role to play a broader digital ecosystem. They notably referred to ongoing developments such as eDeclaration systems, the digitalisation of the portable document A1 and enhanced labour inspection cooperation tools. These stakeholders consider ESSPASS as one component of a wider digital toolchain supporting fair labour mobility.

Public authorities emphasised **operational efficiency gains** linked to digitalisation. The Austrian Federation of Social Insurances (DVSV) and Deutsche Sozialversicherung Europavertretung (DSV) highlight the expected reduction of manual procedures, while the Dutch Ministry of Social Affairs and Employment (SZW) and the German Ministry for Economic Affairs, Labour and Tourism (MWAT) stress the potential for digitalising existing verification workflows and improving interoperability between national systems. Similar views

are expressed by business stakeholders, notably the Confederation of Finnish Industries (EK) and BusinessEurope, which underlined the importance of aligning ESSPASS with existing national infrastructures and broader EU digital initiatives, including the EUDI framework.

At the same time, stakeholders identify significant **implementation risks**. Public authorities such as SZW, MWAT and DVSV point to the complexity of integrating heterogeneous national systems and warn against creating additional digital layers rather than building on existing infrastructures. Transport and business organisations, including Transport and Logistics Netherlands (TLN) raised concerns that insufficient interoperability could lead to fragmented implementation and inconsistent recognition across Member States. The Swedish Association of Local Authorities and Regions (SALAR) flagged potential disparities in Member States' implementation capacities.

Administrative simplification and legal certainty for businesses

Business associations and companies consistently framed ESSPASS as **a tool to reduce administrative burden**. Several organisations such as BDA, EK, the Confederation of Swedish Enterprise (CSE) and TLN highlighted the expected reduction of duplication between posting declarations and A1 procedures. BusinessEurope and Gesamtmetall emphasised that ESSPASS could streamline documentation processes and avoid overlapping reporting obligations while the Confederation of Danish Employers (DA) stressed the potential for simplification for companies operating across borders.

Stakeholders also associate ESSPASS with **increased legal certainty**. BusinessEurope and the International Road Transport Union (IRU) underlined that reliable and immediate verification of documents would provide greater predictability for companies engaged in cross-border activities. IRU and TLN further noted that faster verification could reduce disputes concerning document authenticity and help companies avoid penalties resulting from the inability to present valid documentation during inspections.

However, business stakeholders repeatedly stressed that these benefits depend **on avoiding additional compliance obligations**. BusinessEurope and BDA cautioned against the creation of parallel systems or new reporting layers, while CSE and TLN underline the importance of limiting administrative impacts on SMEs. Gesamtmetall similarly emphasised that ESSPASS should not duplicate existing posting or A1 procedures.

Strengthening enforcement and combating fraud

Trade unions shared feedback on ESSPASS highlighting the need for **enforcement effectiveness**. The ETUC, the European Federation of Building and Woodworkers (EFBWW), IG BAU, CGT and CFDT considered that digital verification of social security documents could significantly improve the detection of fraudulent or invalid A1 documents. ETF and ETUC explicitly linked ESSPASS to the fight against social dumping and unfair competition while Danish unions 3F and DCU stressed the expected improvement in labour inspection capacity.

A recurring theme in trade union contributions concerned **the need for real-time verification**. ETF, ETUC and EFBWW argue that inspectors currently lack the ability to verify authenticity and validity at the moment of inspection while IG BAU and DGB underline the necessity of

verifying revocation or status changes. These stakeholders therefore consider real-time functionality a prerequisite for achieving meaningful enforcement improvements.

Trade unions also warned that a **voluntary or limited deployment would reduce effectiveness**. ETUC, EFBWW, IG BAU and CGT expressed concerns that inconsistent application across Member States could perpetuate enforcement gaps. EFBWW further argued that static verification solutions would not adequately address fraudulent A1 practices.

Protection of workers and fairness in cross-border mobility

Trade unions, NGOs and citizen submissions highlighted the potential contribution of ESSPASS to **strengthening workers' protection**. ETUC and CGT underlined that clearer proof of social security coverage could reinforce workers' legal certainty while EFBWW stressed that improved verification could reduce situations in which workers lack recognised protection. CFDT emphasised increased transparency in cross-border employment situations. EFFAT considered that ESSPASS could strengthen safeguards against labour abuse while the International Organization for Migration (IOM) highlighted the importance of transparent proof of rights.

Citizen contributions similarly expressed support for **improved verification mechanisms and expect clearer confirmation of social security coverage**. NGOs also warned that digital solutions must remain accessible. EFFAT and IOM raised concerns that complex digital tools could create barriers for certain categories of workers if accessibility considerations are not adequately addressed.

Governance, scope and transition from pilot phase

Stakeholders across categories called for **clearer governance arrangements** and legal certainty regarding ESSPASS deployment. BusinessEurope emphasised the need for a clearly defined legal framework and governance structure, while SZW highlighted the importance of defining system architecture and responsibilities. FIEC, ETUC and ETF called for a transition from pilot to a fully operational framework with a clear legislative basis and implementation timeline. BusinessEurope and IRU stressed that the scope of ESSPASS should remain limited to labour and social security verification functions.

Data protection and proportionality

Data protection considerations emerged as a cross-cutting issue. BusinessEurope and IRU emphasised that ESSPASS must fully comply with EU data protection rules, including principles of data minimisation and limitation to strictly necessary information. NGO stakeholders, notably IOM and EFFAT, similarly called for **strong safeguards and proportional use of data** to ensure trust and protect workers' rights.

(ii) Call for evidence on the European Social Security Pass (ESSPASS)

The **call for evidence on ESSPASS** was open for feedback for four weeks from 14 January 2026 to 11 February 2026, with the aim of collecting stakeholders' views on the Commission's understanding of the problems affecting social security coordination and on possible solutions through digitalisation. Stakeholders were invited to share evidence on the functioning of

portable documents procedures, administrative burdens, verification mechanisms and expected impacts of ESSPASS.

This call of evidence received a total of **42 contributions**. Out of these 42, 15 submissions included an extended position paper provided as an attachment. Both the contribution and the attached documents were analysed and treated as part of a single dataset.

In terms of stakeholders, the majority of contributions came from business associations and companies (10) as well as individuals (10) closely followed by trade unions (9), public authorities (8) and then NGOs and others.

Out of these 42 submissions, they **came from 14 EU countries**, **two from third countries**. Most of the submissions from Belgium, as some of EU-level organisations are based in Belgium, Germany, France and Denmark.

Table: Distribution of submissions per country and stakeholder category

		EU														Non-EU	
Stakeholder Category	Total	AT	BE	HR	DK	FI	FR	DE	IE	IT	NL	PT	SK	ES	SE	Albania	South Afri
Business association + Company/business	10	1	2	0	2	0	1	2	0	1	0	0	0	1	0	0	
Citizens (EU and non-EU)	10	0	1	1	0	0	1	1	1	0	0	1	2	0	0	1	
Trade Union	9	0	5	0	2	0	0	1	0	0	0	0	0	0	1	0	
Public authority	8	1	1	0	0	2	1	1	0	0	1	1	0	0	0	0	
NGO + Other	5	0	1	0	1	0	1	1	0	1	0	0	0	0	0	0	
Total	**42**	**2**	**10**	**1**	**5**	**2**	**4**	**6**	**1**	**2**	**1**	**2**	**2**	**1**	**1**	**1**	

Problems

Stakeholders across all categories broadly converge in identifying structural shortcomings in the current framework governing verification of portable documents, in particular the portable document A1 and the EHIC. The problems described are primarily operational and implementation-related rather than legal in nature.

The absence of real-time and interoperable verification was the most frequently reported problem. It related in particular to the inability to verify social security documents in real time across borders. Several stakeholders explained that portable document A1 certificates are typically issued as static PDF documents without interoperable verification functionality. This limitation was explicitly highlighted by BDA and the European Federation of Building and Woodworkers (EFBWW) which argued that static formats prevent reliable authenticity checks. Trade unions including ACV–CSC and the European Transport Workers' Federation (ETF) emphasised that authorities cannot verify whether documents remain valid or have been revoked, creating uncertainty during inspections. EFBWW and 3F further reported that labour inspectorates cannot verify authenticity or validity at the moment of control, undermining enforcement effectiveness. The **absence of visible revocation status** was repeatedly described as a critical gap. ACV–CSC, BDA and EFBWW note that withdrawn or invalid documents remain practically indistinguishable from valid ones, which stakeholders link directly to fraud risks.

Administrative burden and fragmented procedures were identified by business stakeholders as a major structural problem. CEI-Bois, DA and BDA explained that employers must often

comply simultaneously with A1 procedures and national posting declaration systems, creating unnecessary administrative burden and legal uncertainty. Pearle and several business associations underlined that delays in issuing A1 certificates may lead to penalties or prevent workers from starting assignments on time. Stakeholders associated these problems with fragmented national systems and the absence of interoperable digital solutions applying a once-only principle.

Enforcement weaknesses and fraud risks were highlighted by trade unions and sectoral organisations. EFBWW, ACV–CSC and BDA stated that static documentation creates opportunities for abuse and unfair competition. 3F highlighted enforcement vulnerabilities in sectors with high labour mobility, particularly construction where complex employment arrangements increase verification difficulties. Several submissions argued that enforcement authorities currently operate largely ex post rather than in real time, limiting preventive enforcement capacity.

Difficulties in exercising social security rights were also reported. EurECCA and ETF described cases of transport workers being denied healthcare abroad or exposed to retroactive claims because entitlement could not be verified promptly. Citizen submissions similarly referred to difficulties linked to S1 forms, renewal procedures and lack of digital access. These contributions framed ESSPASS not only as an administrative reform but also as a tool to ensure effective access to social security rights.

Institutional and technical complexity were mentioned by public authorities that stressed structural complexity as a key implementation challenge. DSV referred to the scale of national social security systems to illustrate institutional constraints. ABV highlighted that Germany lacks a single issuing body for A1 certificates warning that centralised solutions could require disproportionate restructuring. DSS explained that healthcare verification already relies on multiple private verification applications, implying significant integration costs and technical adaptation for healthcare providers and software systems.

Policy options

The Call for Evidence presented four policy options being considered by the Commission (option 1 is the baseline). Out of **42 analysed submissions,** the majority of stakeholders that have expressed their views on these options showed clear support for Option 4 (which corresponds to option 3 in this Impact assessment.

Policy option	Explicit supporters identified in document	Approximate number
Option 1 (baseline)	ABV	**1 stakeholder**
Option 2	No explicit standalone support identified	—
Option 3	ACV–CSC	**1 stakeholder**

Option 4	CEI-Bois, DA, BDA, Pearle, WKO, ETF, EurECCA, REIF, DSS, ISS, Kela, DVSV, ETK + citizen submissions expressing equivalent preference	**At least 13 named structured stakeholders + citizen submissions**

NB: Across the 42 submissions, explicit preferences are concentrated among structured stakeholders (trade unions, business associations, institutional actors). Individuals and NGO submissions tend to express general support for digitalisation but rarely refer explicitly to specific policy options (1–4).

Option 1 received explicit support from one stakeholder only, the German association ABV. ABV expressed concerns regarding cost, technical complexity and institutional restructuring associated with more advanced digital architectures and argued that development and maintenance costs should be borne at EU level if an EU-level solution were introduced. Several public authority submissions echoed these concerns indirectly without explicitly endorsing Option 1.

Option 2 received no explicit support as a standalone preferred option. However, public authorities such as Kela, the Centrale des Artisans et Commerçants (CAK) and the Istituto di Sicurezza Sociale (ISS) underlined resource and implementation capacity constraints, while DSV highlighted institutional complexity. ABV stressed risks of disproportionate restructuring, and REIF and 3F called for phased implementation and structured governance, reflecting concerns regarding proportionality and gradual deployment consistent with intermediate approaches.

Option 3 received explicit support from one stakeholder, ACV–CSC which argued that maintaining enhanced paper credentials alongside digital solutions could preserve enforcement loopholes and weaken verification effectiveness. According to ACV–CSC, a fully digital single-source architecture would better ensure authenticity checks and close existing enforcement gaps.

Option 4 received the broadest support across stakeholder categories and was the only option supported by multiple stakeholder groups.

Business associations and companies including CEI-Bois, DA, BDA, Pearle and WKO, supported Option 4 due to expected administrative simplification, application of the once-only principle, improved legal certainty and real-time verification capabilities. These stakeholders considered interoperable digital credentials necessary to reduce duplication between A1 procedures and national posting declarations and to facilitate cross-border operations.

Trade unions, notably ETF and EurECCA, also supported Option 4, linking it to stronger enforcement capacity, improved detection of fraudulent documents and better protection of mobile workers' rights.

Public authorities, including REIF, DSS, ISS, Kela, DVSV and ETK, expressed conditional support for Option 4. Their contributions emphasised the need for clear governance structures, alignment with existing systems such as EESSI and the EUDI framework, proportionality in implementation and adequate EU financial support.

Citizen submissions broadly aligned with Option 4 by emphasising simplification, digital convenience and easier proof of entitlement in cross-border situations.

Cross-cutting implementation conditions

Across options, stakeholders converge on several necessary conditions:

- governance alignment with Regulations (EC) No 883/2004 and 987/2009 (REIF),
- interoperability with EESSI and EUDI framework (REIF, 3F),
- phased rollout and structured implementation (public authorities),
- proportionality and respect for national administrative diversity.

Impacts

Stakeholders described a range of expected impacts covering administrative, economic, enforcement, social and governance dimensions, predominantly qualitative and operational in nature.

On administrative and economic impacts, business stakeholders expected significant administrative simplification, including reduced duplication, fewer disputes over authenticity and fewer operational disruptions caused by delayed or unverifiable documentation. However, Kela, CAK, ISS and ABV stressed that implementation may generate substantial costs, including IT adaptation, governance structures and system maintenance. DSS highlighted additional sector-specific costs in healthcare. WKO and DA warned that smaller actors may face disproportionate compliance burdens if implementation is not carefully designed.

On enforcement and labour market impacts, ETF and EFBWW argued that real-time verification and interoperable credentials would improve detection of invalid or fraudulent A1 documents and contribute to addressing wage dumping and unfair competition, shifting enforcement from ex post verification towards preventive compliance. However, EFBWW, 3F, ACV–CSC and ETF warned that ESSPASS might fail to deliver its intended enforcement benefits if real-time interoperability or revocation functionality were incomplete or inconsistently applied across Member States.

On social impacts and access to rights, trade unions indicated that clearer proof of social security coverage would reduce situations where workers are unable to demonstrate entitlement abroad. Public authorities expected improved service delivery through faster confirmation of entitlement status. EurECCA and ETF had previously reported cases where individuals faced difficulties accessing healthcare due to verification failures, and stakeholders considered ESSPASS capable of mitigating such situations. AGE Platform Europe and the European Blind Union highlighted risks that fully digital solutions could disadvantage older persons, persons with disabilities or digitally excluded groups if accessibility requirements were not adequately addressed.

On governance and systemic impacts, public authorities and institutional stakeholders indicated that harmonised and interoperable verification could reduce fragmentation between

national systems and improve cross-border recognition of social security documents. REIF and ETF warned that voluntary or uneven implementation could undermine these benefits and create new forms of fragmentation. Data protection and cybersecurity considerations were raised across stakeholder categories, with trade unions, NGOs, public authorities and citizen submissions emphasising full compliance with data protection requirements, including data minimisation and limitation of use to labour and social security purposes, as well as strong cybersecurity safeguards and alignment with existing EU data governance frameworks.

(iv) Public Consultation

The public consultation on ESSPASS was open for 12 weeks, from 22 January 2026 to 16 April 2026. It aimed to gather stakeholder views to inform the impact assessment and possible EU action. The consultation focused on: (i) the scale and nature of the problems; (ii) the objectives of the proposed initiative; (iii) the policy options; and (iv) their potential impacts, including opportunities for simplification.

The consultation received **162 submissions** through a standard online questionnaire via EU Survey. Stakeholders also submitted 31 additional documents, including position papers and supporting material. Responses were received from a broad range of stakeholders, with the majority coming from EU citizens (40%), followed by public authorities (19%) and companies/businesses (10%). Across all submissions, 18% of respondents contributed as national authorities, 15% as healthcare providers and 3% as labour inspectors, while 64% indicated none of the listed professional roles applied to them. Contributions were received from 23 Member States and 4 non-EU countries, with the highest shares from Romania (18% of the submissions), Germany (17%) and Belgium (11%).

Familiarity with social security procedures and documents

The consultation showed a **high level of familiarity** with procedures for proving and verifying social security rights and insurance status when moving, travelling or working in another EU country. A majority of respondents (86%) reported being familiar to some or a large extent, with only 14% completely unfamiliar. However, the level of awareness varies depending on the type of portable document. The **European Health Insurance Card (EHIC) is by far the most recognised document** (81%), reflecting its widespread use and public visibility. Other key documents, such as the A1 (53%) and S1 (47%), have relatively high recognition, which may reflect their relevance for cross-border workers and long-term residents.

Less familiar documents (e.g., S2, U1, U2, P1, DA1 and S3) have recognition rates below 35%, suggesting limited public exposure or niche applicability. This may also be explained by the fact that those documents relate to specific situations that are less widespread among the general public, such as the need for medical treatment in another Member State due to a work accident or occupational disease.

Although 92% of respondents hold an EHIC, only 33% of them used it to access healthcare in another Member State over the past three years. However, low usage does not necessarily reflect a lack of reliance on the EHIC. Instead, it may suggest that while the card was available, no urgent medical care was required during travel abroad.

Main challenges in applying for and obtaining social security coordination documents

When asked whether they had encountered problems using specific social security coordination documents **over the previous three years, 16% of respondents reported issues with the**

EHIC (26 out of 162), **followed by A1 and S1 portable documents** each mentioned by 6% (9 of 162). Problems were less frequently reported for the S3, P1, S2, U1, DA1 and U2.

Among respondents who reported problems with these documents and provided further details, **delays and difficulties in obtaining the documents emerged as the most common issues**.

For the A1 document, among the 9 respondents who reported problems, 6 (67%) reported delays or difficulties in obtaining it, 5 (56%) had to contact or visit the competent institution for renewal, and 4 (44%) experienced problems when presenting it to authorities in another Member State. Only 3 (33%) indicated that the portable document A1 could be requested online.

For the EHIC, among the 26 respondents who reported problems, 16 (62%) indicated that an online application was available. However, 12 (46%) reported having to contact or visit an authority for renewal, 9 (35%) experienced delays or difficulties in obtaining it, and 8 (31%) encountered problems when presenting the card abroad.

Less commonly used documents (e.g., S3, P1, U1, DA1, U2) had lower reported issues (1-4%) but the impact on those affected was significant. For instance, a respondent reported having his unemployment benefits suspended when transferring unemployment benefits using the portable document U2.

The consultation revealed that delays in obtaining social security coordination documents are a major issue across all portable documents. Among respondents who reported problems with a particular document, a majority mentioned delays or difficulties in obtaining such documents, particularly for the S1 (78%), S2 and U1 (75% each), DA1 and U2 (67% each), the A1 (56%) compared with 35% for the EHIC. The findings also point to limited digitalisation of application procedures. A significant share of respondents indicated that online application was not available, particularly for the S1 (88%), U1 (75%) and the A1 and DA1 (67% each) compared with 40% for the EHIC. In addition, many respondents had to visit national authorities in person to renew documents, particularly for the DA1 and U2 (67% each), A1 (56%) and the EHIC (46%), highlighting persistent inefficiencies in renewal procedures. Finally, between 20% and 50% of respondents reported feeling poorly informed about procedural requirements, with particularly high levels of uncertainty surrounding the portable document A1 and S1 (up to 78% inadequately informed) and the EHIC (61%).

Main challenges in proving social security rights and insurance status abroad

When asked to rank four situations contributing to difficulties in proving social security rights and insurance status across borders, respondents identified insufficient clarity on the procedures to be followed as the main challenge. This was followed by insufficient information or awareness among mobile persons about their rights and the legislation that applies to them (e.g. posted workers not being informed about the request and issuance of the portable document A1 for their posting), reliance on physical documents that lack digital verification and manual processes, and the limited availability of online applications for requesting documents, with respondents highlighting that urgent short-term assignments (e.g., emergency repairs or production line breakdowns) are particularly disrupted when the portable document A1 cannot be obtained in time.

For the EHIC, the most commonly reported problems related to proving insurance status concerned individuals not having the card with them when travelling abroad (86%), doubts regarding its validity leading to requests for upfront payment of healthcare costs (76%), and the

use of expired or invalid cards (74%). 72% reported reimbursement claims being rejected due to incorrect, missing or outdated information, while 66% indicated that healthcare providers frequently questioned the validity of the card. These findings suggest that reliance on a physical card creates practical obstacles and may result in arbitrary refusals of the EHIC despite its legal validity.

Respondents also highlighted difficulties related to the verification of information before portable documents are issued, administrative delays, varying national requirements, language and accessibility barriers, limited interoperability between systems and difficulties in identifying or contacting the competent institution.

Main challenges in verifying social security documents and insurance status across borders

Respondents contributing as healthcare providers, labour inspectors or national authorities were asked whether they had experienced difficulties in verifying the social security rights and insurance status of individuals from other EU countries over the previous three years. Out of 44 respondents, 22 (50%) replied yes.

These respondents were also asked to rank three factors contributing to these verification challenges. Reliance on physical documents without digital verification features and on manual processes was ranked as the main challenge, closely followed by the lack of an EU standard enabling real-time digital verification of social security coordination documents and insurance status. The third-ranked challenge was insufficient interoperability between the digital systems used by national authorities, labour inspectorates and healthcare providers.

The broader challenges identified by healthcare providers, labour inspectors or national authorities were particularly evident for the EHIC and the portable document A1. For the EHIC, the main issue concerned difficulties in verifying the validity of the card, and consequently the holder's insurance status. For the portable document A1, respondents reported difficulties in using and verifying the document as proof of the applicable social security legislation across borders.

Among the 31 respondents representing business associations and companies, difficulties linked to verification were also evident. Almost half (46%) reported that doubts regarding the validity of the portable document A1 during inspections created moderate to major problems, including delays, lengthy waiting times and operational disruptions. These respondents also referred to legal uncertainty, financial penalties and practical obstacles linked to cross-border procedures. More generally, they pointed to the absence of real-time verification tools, difficulties confirming document authenticity and divergent national requirements as key obstacles to effective cross-border verification of social security rights and insurance status.

Incorrect or incomplete applications for the portable document U1 combined with uncertainty among cross-border workers, often lead to suspended unemployment benefits. One respondent reported that the complex administrative requirements for the portable document U2 create challenges in claiming social security benefits.

The issue of delays in replies from national authorities regarding the validity and authenticity of the portable document A1 was also pointed out. This lack of timely and complete information was judged to exacerbate legal uncertainties and prolong investigations.

Healthcare providers reported substantial challenges in verifying insurance status. Responses from healthcare providers in Romania illustrate these challenges, as they explained that the

EHIC cannot be verified online, requiring patient details to be recorded manually for subsequent reimbursement claims. This means that the staff must manually log EHIC details into spreadsheets for later reimbursement claims. This was considered a time-consuming process, delaying patient care and increasing the risk of errors and delays in reimbursement.

Impact of current problem

The impacts of the difficulties reported above were widely recognised by respondents. More than three quarters of the 162 respondents agreed that the current challenges result in lost time and administrative hurdles for individuals (81%), create difficulties and delays in accessing social security rights (78%) and generate additional administrative burdens for national authorities, healthcare providers and labour inspectorates (76%).

A majority also considered that these problems create administrative burdens for companies (69%) and foster fear of losing social security rights when moving or working in another Member State (65%). The consultation also highlighted challenges linked to the portable document A1 and complying posting declaration requirements when sending employees to work abroad.

Among the 31 respondents representing companies and business associations, 74% considered these procedures to impose a moderate to significant administrative burden while 10% considered them to do so to a small extent and 16% answered 'Don't know'. Furthermore, 45% of those 31 respondents **considered that SMEs, start-ups and scale-ups were more affected than larger businesses**, while 29% considered that they were affected similarly, 3% considered that they were less affected and 23% answered 'Don't know'. Respondents mentioned that the portable document A1 and posting requirements are bureaucratic, time-consuming and complex, with a disproportionate impact on SMEs due to limited resources and lack of specialised staff, knowledge, and experience.

Concerns were also raised regarding the risks associated with paper-based procedures. More than half of all respondents considered that paper-based processes for proving and verifying social security rights and insurance status contribute to errors and fraud to a moderate or large extent; this proportion rises to 72% when excluding 'Don't know' responses. In their comments, respondents linked paper-based or non-verifiable documents to fraud risks, including forged or altered documents, uncertainty during inspections and operational disruptions caused by lengthy verification procedures.

Support for digitalisation with a hybrid approach to documents

There is a strong consensus among respondents regarding the benefits of digitalising social security coordination documents across the EU. A large majority (93% in total) either strongly agree (68%) or agree (25%) that a **standardised digital solution for issuing and verifying these documents would make procedures simpler and more efficient**. This is further reinforced by the finding that 93% of respondents support the idea that such **a solution should be made available in all Member States** with 76% strongly agreeing and 17% agreeing. These figures suggest a clear demand for digitalisation. Additionally, 95% of respondents believe that **integrating these documents into European digital identity wallets would simplify storage and verification**.

The most preferred format was a s**tandardised digital format combined with a physical format with enhanced security features** for those not using digital tools, selected by 109 respondents (67%). Other respondents preferred a standardised digital and physical format

without enhanced security features (17 respondents, 10%), a digital-only format (15 respondents, 9%), or a physical-only format with enhanced security features (9 respondents, 6%). The remaining 12 respondents (7%) selected either a basic physical format or another format.

The consultation highlighted priorities for which documents should be digitalised first, with the European Health Insurance Card (EHIC) receiving 143 votes (88%), followed by the A1 with 86 votes (53%), the S1 with 81 votes (50%) for healthcare entitlements and the S2 with 56 votes (35%) for planned medical treatment abroad. The remaining documents received fewer than 50 votes, in the following order: the U1, DA1, P1, U2 and S3. Respondents also assessed the potential of three measures to simplify procedures and reduce administrative challenges for businesses and individuals. Respondents identified the alignment of information requirements across Member States for requesting a portable document A1 as the measure with the greatest potential to simplify procedures, with 77% (125 respondents) considering that it would provide some or high level of simplification. This was followed by setting binding deadlines for competent institutions to issue requested social security coordination documents (74%, 120 respondents) and by the introduction of a one-stop shop for requesting a portable document A1 and submitting the posting declaration (71%, 115 respondents).

Expected impacts and challenges of the initiative

The results from the public consultation highlighted an overall positive perception of the potential impacts that the ESSPASS initiative could have on the improvement of social security coordination in cross-border situations. **A significant majority of respondents anticipate that such an initiative would positively impact the proving and verification processes** for citizens, would simplify checks for national authorities and reduce fraud and errors. In particular, 91% of respondents believe it would significantly simplify the work of national authorities and other actors, especially healthcare providers and labour inspectorates, by enabling instant verification of documents and insurance status, while 90% also believe the proposed initiative would significantly improve the experience of proving and verifying social security rights and insurance status in cross-border situations. Similarly, 87% expect a significant improvement in easier access to information about social security rights and 82% foresee a significant impact in the reduction of errors and risk of fraud. With regards to the impact on businesses, 75% believe that it would simplify processes and costs for businesses, including by easing compliance with obligations on social security coordination and facilitating inspection activities. These figures suggest strong confidence in the initiative's ability to enhance administrative efficiency, transparency, and user experience.

The economic and labour market impacts are also viewed optimistically, though with slightly more variation. 71% of respondents expect a significant impact of the initiative on improving the functioning of the EU single market and positively impacting the European economy, while 48% believe it could serve as an additional incentive for people to move and work abroad. The potential to address labour shortages and promote economic convergence is noted as a significant impact, reinforcing the idea that streamlined social security coordination could contribute to greater mobility and economic integration. However, the comparatively lower share of respondents (48%) who believe that the initiative could encourage cross-border work suggests that while the initiative may remove administrative barriers, other factors (e.g. cultural, linguistic, or recruitment challenges) may still limit its effect on labour mobility.

Despite the overwhelmingly positive outlook, the data also underscores several risks and unintended consequences to take into account in the design of the initiative. A recurring concern is the potential exclusion of less digitally equipped users, particularly low-income groups, people with disabilities or those in regions with limited digital infrastructure. While full digitalisation is seen as highly significant for reducing paperwork and improving standardisation, the lack of paper alternatives could create inconsistencies and accessibility issues. Privacy risks, increased burdens for small businesses with limited digital resources and the threat of fraud (e.g. through lost or misused digital cards) are also flagged as significant challenges. These findings imply that for the initiative to be truly inclusive and effective, complementary measures will be essential to mitigate negative outcomes and ensure equitable access for all stakeholders.

The public consultation on ESSPASS was open for 12 weeks, from 22 January 2026 to 16 April 2026. It aimed to gather stakeholder views to inform the impact assessment and possible EU action. The consultation focused on: (i) the scale and nature of the problems; (ii) the objectives of the proposed initiative; (iii) the policy options; and (iv) their potential impacts, including opportunities for simplification.

The consultation received **162 submissions** through a standard online questionnaire via EU Survey. Stakeholders also submitted 31 additional documents, including position papers and supporting material. Responses were received from a broad range of stakeholders, with the majority coming from EU citizens (40%), followed by public authorities (19%) and companies/businesses (10%). Across all submissions, 18% of respondents contributed as national authorities, 15% as healthcare providers and 3% as labour inspectors, while 64% indicated none of the listed professional roles applied to them. Contributions were received from 23 Member States and 4 non-EU countries, with the highest shares from Romania (18% of the submissions), Germany (17%) and Belgium (11%).

Familiarity with social security procedures and documents

The consultation showed a **high level of familiarity** with procedures for proving and verifying social security rights and insurance status when moving, travelling or working in another EU country. A majority of respondents (86%) reported being familiar to some or a large extent, with only 14% completely unfamiliar. However, the level of awareness varies depending on the type of portable document. The **European Health Insurance Card (EHIC) is by far the most recognised document** (81%), reflecting its widespread use and public visibility. Other key documents, such as the A1 (53%) and S1 (47%), have relatively high recognition, which may reflect their relevance for cross-border workers and long-term residents.

Less familiar documents (e.g., S2, U1, U2, P1, DA1 and S3) have recognition rates below 35%, suggesting limited public exposure or niche applicability. This may also be explained by the fact that those documents relate to specific situations that are less widespread among the general public, such as the need for medical treatment in another Member State due to a work accident or occupational disease.

Although 92% of respondents hold an EHIC, only 33% of them used it to access healthcare in another Member State over the past three years. However, low usage does not necessarily reflect a lack of reliance on the EHIC. Instead, it may suggest that while the card was available, no urgent medical care was required during travel abroad.

Main challenges in applying for and obtaining social security coordination documents

When asked whether they had encountered problems using specific social security coordination documents **over the previous three years, 16% of respondents reported issues with the EHIC** (26 out of 162), **followed by A1 and S1 portable documents** each mentioned by 6% (9 of 162). Problems were less frequently reported for the S3, P1, S2, U1, DA1 and U2.

Among respondents who reported problems with these documents and provided further details, **delays and difficulties in obtaining the documents emerged as the most common issues**.

For the A1 document, among the 9 respondents who reported problems, 6 (67%) reported delays or difficulties in obtaining it, 5 (56%) had to contact or visit the competent institution for renewal, and 4 (44%) experienced problems when presenting it to authorities in another Member State. Only 3 (33%) indicated that the portable document A1 could be requested online.

For the EHIC, among the 26 respondents who reported problems, 16 (62%) indicated that an online application was available. However, 12 (46%) reported having to contact or visit an authority for renewal, 9 (35%) experienced delays or difficulties in obtaining it, and 8 (31%) encountered problems when presenting the card abroad.

Less commonly used documents (e.g., S3, P1, U1, DA1, U2) had lower reported issues (1-4%) but the impact on those affected was significant. For instance, a respondent reported having his unemployment benefits suspended when transferring unemployment benefits using the portable document U2.

The consultation revealed that delays in obtaining social security coordination documents are a major issue across all portable documents. Among respondents who reported problems with a particular document, a majority mentioned delays or difficulties in obtaining such documents, particularly for the S1 (78%), S2 and U1 (75% each), DA1 and U2 (67% each), the A1 (56%) compared with 35% for the EHIC. The findings also point to limited digitalisation of application procedures. A significant share of respondents indicated that online application was not available, particularly for the S1 (88%), U1 (75%) and the A1 and DA1 (67% each) compared with 40% for the EHIC. In addition, many respondents had to visit national authorities in person to renew documents, particularly for the DA1 and U2 (67% each), A1 (56%) and the EHIC (46%), highlighting persistent inefficiencies in renewal procedures. Finally, between 20% and 50% of respondents reported feeling poorly informed about procedural requirements, with particularly high levels of uncertainty surrounding the portable document A1 and S1 (up to 78% inadequately informed) and the EHIC (61%).

Main challenges in proving social security rights and insurance status abroad

When asked to rank four situations contributing to difficulties in proving social security rights and insurance status across borders, respondents identified insufficient clarity on the procedures to be followed as the main challenge. This was followed by insufficient information or awareness among mobile persons about their rights and the legislation that applies to them (e.g. posted workers not being informed about the request and issuance of the portable document A1 for their posting), reliance on physical documents that lack digital verification and manual processes, and the limited availability of online applications for requesting documents, with respondents highlighting that urgent short-term assignments (e.g., emergency repairs or production line breakdowns) are particularly disrupted when the portable document A1 cannot be obtained in time.

For the EHIC, the most commonly reported problems related to proving insurance status concerned individuals not having the card with them when travelling abroad (86%), doubts regarding its validity leading to requests for upfront payment of healthcare costs (76%), and the use of expired or invalid cards (74%). 72% reported reimbursement claims being rejected due to incorrect, missing or outdated information, while 66% indicated that healthcare providers frequently questioned the validity of the card. These findings suggest that reliance on a physical card creates practical obstacles and may result in arbitrary refusals of the EHIC despite its legal validity.

Respondents also highlighted difficulties related to the verification of information before portable documents are issued, administrative delays, varying national requirements, language and accessibility barriers, limited interoperability between systems and difficulties in identifying or contacting the competent institution.

Main challenges in verifying social security documents and insurance status across borders

Respondents contributing as healthcare providers, labour inspectors or national authorities were asked whether they had experienced difficulties in verifying the social security rights and insurance status of individuals from other EU countries over the previous three years. Out of 44 respondents, 22 (50%) replied yes.

These respondents were also asked to rank three factors contributing to these verification challenges. Reliance on physical documents without digital verification features and on manual processes was ranked as the main challenge, closely followed by the lack of an EU standard enabling real-time digital verification of social security coordination documents and insurance status. The third-ranked challenge was insufficient interoperability between the digital systems used by national authorities, labour inspectorates and healthcare providers.

The broader challenges identified by healthcare providers, labour inspectors or national authorities were particularly evident for the EHIC and the portable document A1. For the EHIC, the main issue concerned difficulties in verifying the validity of the card, and consequently the holder's insurance status. For the portable document A1, respondents reported difficulties in using and verifying the document as proof of the applicable social security legislation across borders.

Among the 31 respondents representing business associations and companies, difficulties linked to verification were also evident. Almost half (46%) reported that doubts regarding the validity of the portable document A1 during inspections created moderate to major problems, including delays, lengthy waiting times and operational disruptions. These respondents also referred to legal uncertainty, financial penalties and practical obstacles linked to cross-border procedures. More generally, they pointed to the absence of real-time verification tools, difficulties confirming document authenticity and divergent national requirements as key obstacles to effective cross-border verification of social security rights and insurance status.

Incorrect or incomplete applications for the portable document U1 combined with uncertainty among cross-border workers, often lead to suspended unemployment benefits. One respondent reported that the complex administrative requirements for the portable document U2 create challenges in claiming social security benefits.

The issue of delays in replies from national authorities regarding the validity and authenticity of the portable document A1 was also pointed out. This lack of timely and complete information was judged to exacerbate legal uncertainties and prolong investigations.

Healthcare providers reported substantial challenges in verifying insurance status. Responses from healthcare providers in Romania illustrate these challenges, as they explained that the EHIC cannot be verified online, requiring patient details to be recorded manually for subsequent reimbursement claims. This means that the staff must manually log EHIC details into spreadsheets for later reimbursement claims. This was considered a time-consuming process, delaying patient care and increasing the risk of errors and delays in reimbursement.

Impact of current problem

The impacts of the difficulties reported above were widely recognised by respondents. More than three quarters of the 162 respondents agreed that the current challenges result in lost time and administrative hurdles for individuals (81%), create difficulties and delays in accessing social security rights (78%) and generate additional administrative burdens for national authorities, healthcare providers and labour inspectorates (76%).

A majority also considered that these problems create administrative burdens for companies (69%) and foster fear of losing social security rights when moving or working in another Member State (65%). The consultation also highlighted challenges linked to the portable document A1 and complying posting declaration requirements when sending employees to work abroad.

Among the 31 respondents representing companies and business associations, 74% considered these procedures to impose a moderate to significant administrative burden while 10% considered them to do so to a small extent and 16% answered ‘Don’t know’. Furthermore, 45% of those 31 respondents **considered that SMEs, start-ups and scale-ups were more affected than larger businesses**, while 29% considered that they were affected similarly, 3% considered that they were less affected and 23% answered 'Don’t know'. Respondents mentioned that the portable document A1 and posting requirements are bureaucratic, time-consuming and complex, with a disproportionate impact on SMEs due to limited resources and lack of specialised staff, knowledge, and experience.

Concerns were also raised regarding the risks associated with paper-based procedures. More than half of all respondents considered that paper-based processes for proving and verifying social security rights and insurance status contribute to errors and fraud to a moderate or large extent; this proportion rises to 72% when excluding 'Don't know' responses. In their comments, respondents linked paper-based or non-verifiable documents to fraud risks, including forged or altered documents, uncertainty during inspections and operational disruptions caused by lengthy verification procedures.

Support for digitalisation with a hybrid approach to documents

There is a strong consensus among respondents regarding the benefits of digitalising social security coordination documents across the EU. A large majority (93% in total) either strongly agree (68%) or agree (25%) that a **standardised digital solution for issuing and verifying these documents would make procedures simpler and more efficient**. This is further reinforced by the finding that 93% of respondents support the idea that such **a solution should be made available in all Member States** with 76% strongly agreeing and 17% agreeing. These figures suggest a clear demand for digitalisation. Additionally, 95% of respondents believe that

integrating these documents into European digital identity wallets would simplify storage and verification.

The most preferred format was a s**tandardised digital format combined with a physical format with enhanced security features** for those not using digital tools, selected by 109 respondents (67%). Other respondents preferred a standardised digital and physical format without enhanced security features (17 respondents, 10%), a digital-only format (15 respondents, 9%), or a physical-only format with enhanced security features (9 respondents, 6%). The remaining 12 respondents (7%) selected either a basic physical format or another format.

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The results from the public consultation highlighted an overall positive perception of the potential impacts that the ESSPASS initiative could have on the improvement of social security coordination in cross-border situations. **A significant majority of respondents anticipate that such an initiative would positively impact the proving and verification processes** for citizens, would simplify checks for national authorities and reduce fraud and errors. In particular, 91% of respondents believe it would significantly simplify the work of national authorities and other actors, especially healthcare providers and labour inspectorates, by enabling instant verification of documents and insurance status, while 90% also believe the proposed initiative would significantly improve the experience of proving and verifying social security rights and insurance status in cross-border situations. Similarly, 87% expect a significant improvement in easier access to information about social security rights and 82% foresee a significant impact in the reduction of errors and risk of fraud. With regards to the impact on businesses, 75% believe that it would simplify processes and costs for businesses, including by easing compliance with obligations on social security coordination and facilitating inspection activities. These figures suggest strong confidence in the initiative's ability to enhance administrative efficiency, transparency, and user experience.

The economic and labour market impacts are also viewed optimistically, though with slightly more variation. 71% of respondents expect a significant impact of the initiative on improving the functioning of the EU single market and positively impacting the European economy, while 48% believe it could serve as an additional incentive for people to move and work abroad. The potential to address labour shortages and promote economic convergence is noted as a significant impact, reinforcing the idea that streamlined social security coordination could

contribute to greater mobility and economic integration. However, the comparatively lower share of respondents (48%) who believe that the initiative could encourage cross-border work suggests that while the initiative may remove administrative barriers, other factors (e.g. cultural, linguistic, or recruitment challenges) may still limit its effect on labour mobility.

Despite the overwhelmingly positive outlook, the data also underscores several risks and unintended consequences to take into account in the design of the initiative. A recurring concern is the potential exclusion of less digitally equipped users, particularly low-income groups, people with disabilities or those in regions with limited digital infrastructure. While full digitalisation is seen as highly significant for reducing paperwork and improving standardisation, the lack of paper alternatives could create inconsistencies and accessibility issues. Privacy risks, increased burdens for small businesses with limited digital resources and the threat of fraud (e.g. through lost or misused digital cards) are also flagged as significant challenges. These findings imply that for the initiative to be truly inclusive and effective, complementary measures will be essential to mitigate negative outcomes and ensure equitable access for all stakeholders.

ANNEX 3: WHO IS AFFECTED AND HOW?

Practical implications of the initiative

The initiative will deploy an EU digital solution for the request, issuance and cross-border verification of portable documents and the EHIC.

Social security institutions or other designated bodies across Member States will be obliged to issue portable documents - starting with the portable document A1- and the EHIC in standardised format:

- as digital documents compatible with EUDI wallets, and
- as enhanced physical documents for those who opt not to use the digital wallets or cannot use it.

They will need to build or adapt backend systems to generate the digital credentials, transform existing documents into digital formats, revoke them, establish secure connections with social security databases via secure interfaces, integrating with portals and the EUDI wallets, and perform ongoing maintenance and supervision.

Verifiers, such as labour inspectors and healthcare providers, will have to be technically equipped with hardware (devices, e.g. smartphones, tablets, computers or interactive kiosks) and software (verification application) to interact with the EUDI wallets, in order to automatically confirm the authenticity, integrity and validity of the portable documents and the EHIC at the time of verification.

Social security institutions or other designated bodies and verifiers will also need to be registered in trusted lists of issuers and verifiers of these specific digital credentials.

The digital solution needs to be accessible for persons with disabilities in line with the EU Digital Identity Wallet or other EU law (Directive (EU) 2016/2102, i.e. the Web Accessibility Directive or directive 2019/882, i.e. the European Accessibility Act), as appropriate.

Summary of costs and benefits

The tables below present a comprehensive overview of the benefits and costs associated with the preferred policy option 3 (mandatory implementation) for the stakeholders likely to be most impacted by the option. Quantitative assessments are provided wherever feasible; where quantification is not possible, a qualitative rationale and explanation accompany the assessment.

The impacts are assessed over a 15-year period, which includes the initial three-year setup phase. Therefore, it is assumed that the benefits begin to materialise after three years and continue over a 12-year period.

I. Overview of Benefits (total for all provisions) – Preferred policy option 3 (mandatory implementation) -		
Description	***Amount***	***Comments***
	Direct benefits	
Total costs savings from faster cross-border verification	**68 – 205 million euro** • 24-72 million euro (portable document A1 verifiers) • 21-64 million euro (businesses) • 23-69 million euro (EHIC verifiers, healthcare providers)	The option will reduce processing and waiting times and related costs through streamlined, digital verification processes, higher efficiency and better allocation of resources. Stakeholders impacted: - national authorities and other verifiers, such as healthcare providers, who will spend significantly less time on verification for non-wallet document checks and will not need to wait for additional documents and information to confirm the status, whereas for the EUDI wallet documents, the verification would be almost instant. - businesses, as operations will not be disrupted during controls.
Total cost savings resulting from reduced fraud	**101 -277 million euro**	By enabling instant verification of the authenticity, integrity and validity of documents, with documents digitally signed with qualified signature, the option will reduce the number of cases of false portable

		document A1 and inappropriate use of EHIC. Stakeholder impacted: - national authorities
Reduced up-front payments needs	**43 – 47 million euro**	By enabling instant verification of EHIC validity, the option will reduce cases of EHIC rejections and thus situations where individuals are asked to pay upfront, request reimbursement and face cash exposure. This benefit is particular, because the amounts estimated are temporary pre-financing and will be eventually reimbursed. Therefore, the indicator expresses a negative temporary consequence, but not a long-term impact on affected stakeholders. However, by reducing the prefinancing needs, this improves access to social security benefits and promotes fairness and trust. Stakeholder impacted: - individuals
Environmental benefits: plastic consumption reduction	**1 482 tonnes of plastic, resulting in 161 million euro of savings**	By digitalising EHIC processes, the option will reduce plastic consumption, potentially decreasing the use of tonnes of plastic and resulting in costs savings.
Indirect benefits		
Social impacts, including fundamental rights Access to social security benefits and healthcare Fairness, trust, equality and inclusion Data protection	**not quantifiable**	By streamlining processes for the request, issuance and cross-border verification of portable documents and the EHIC, the option will generate very high indirect social benefits compared to baseline. It will facilitate the exercise of social security rights, improving timely access to benefits and healthcare across Member States. This will increase public trust in cross-border social security services, while promoting fair intra-EU mobility. By offering a paper alternative to the use of EUDI wallets and being designed to ensure accessibility to all users, the option will ensure that all individuals, including those without digital access or with specific accessibility needs, have access to services, thus promoting equality and inclusion. Additionally, the paper alternative is

		enhanced with security features adhering to consistent verification standards, thus increasing overall trust. Stakeholders affected: individuals
Competitiveness and the single market	**non quantifiable**	The option will positively impact businesses operating within the single market, particularly those temporarily posting workers abroad. As SMEs represent 99% of EU businesses and are prevalent in sectors with high posting activities, they stand to benefit from reduced waiting times for obtaining and verifying portable document A1, as well as the introduction of simplified and standardised digital procedures across Europe. By lowering barriers to the free movement of people and services, these measures are anticipated to encourage businesses to expand their operations across borders, thereby enhancing competitiveness, attracting investment and talent, and fostering economic growth in the single market (wider societal implications). Improved labour mobility will benefit both businesses and mobile people. Stakeholder affected: businesses, individuals
Digitalisation and innovation spillovers	**Non quantifiable**	The option will contribute to accelerating public sector digitalisation within the EU. It will replace manual processes with a comprehensive EU digital solution for the request, issuance and cross-border verification of documents, driving innovation across Member States' social security branches. By enhancing cross-border interoperability, the option will enable seamless provision and streamline operations across borders. Moreover, by operationalising the EUDI wallets, it will generate innovation spillovers, support privacy-preserving digital ecosystems, and strengthen security in digital transactions throughout the EU. Stakeholder affected: national authorities, individuals, businesses

II. Overview of costs – Preferred option							
		Citizens/Consumers		**Businesses**		**Administrations and healthcare providers**	
		One-off	**Recurrent**	**One-off**	**Recurrent**	**One-off**	**Recurrent**
Issuer system, verifier application, trust framework, compliance and legal adaptation	Direct adjustment costs (administrations)	n/a	n/a	n/a	n/a	81million euro	123 million euro (cumulative[214]) around 10.25 million euro (per year)
	Direct adjustment costs (healthcare providers)					105 – 136.5 million euro	155.2 million euro (cumulative) around 12.9 million euro (per year)
	Direct administrative costs	n/a	n/a	n/a	n/a		
	Direct regulatory fees and charges	n/a	n/a	n/a	n/a		
	Direct enforcement costs	n/a	n/a	n/a	n/a		
	Indirect costs	n/a	n/a	n/a	n/a		

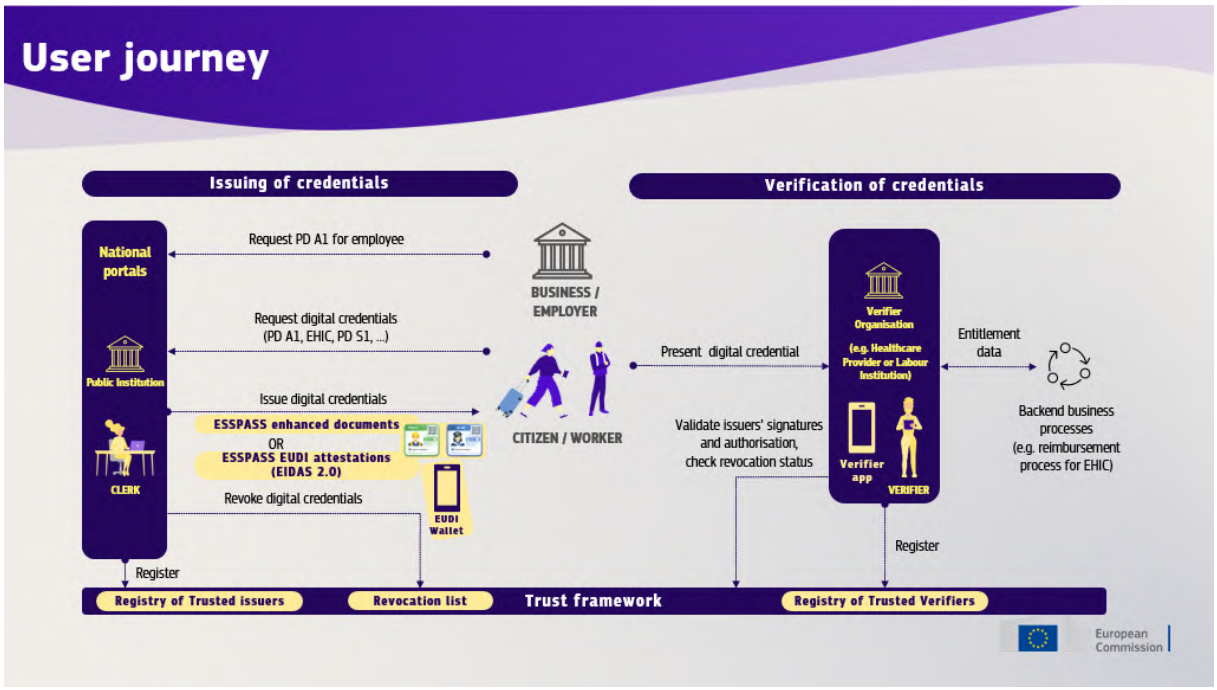
[214] Recurrent costs are annual costs, which are presented in the table on a cumulative basis. These have been calculated by multiplying the annual costs by 12 years, reflecting the assumption of a three-year implementation period before the recurrent costs start to apply.

III. Contribution to the administrative burden reduction targets – Preferred option(s)					
Administrative costs **[M€]**	**New recurrent costs (INs)** (nominal values per year)	**Removed recurrent costs (OUTs)** (nominal values per year)	**Net cost (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	N/A	N/A	N/A	N/A	N/A
- in which SMEs	N/A	N/A	N/A	N/A	N/A
Public administrations	N/A	N/A		N/A	N/A
Citizens	N/A	N/A		N/A	N/A

Relevant sustainable development goals (SDG)

IV. Overview of relevant Sustainable Development Goals – Preferred Option(s)		
Relevant SDG	**Expected progress towards the Goal**	**Comments**
SDG no. 3 – Good health and well being	By ensuring seamless cross-border access to social security and healthcare services, the option will contribute to better health outcomes and well-being for individuals within the EU.	
SDG no. 8 – Decent work and economic growth	The option will facilitate the free movement of workers across borders, supporting employment opportunities and economic growth while ensuring that workers' rights and benefits are protected.	
SDG no. 9 – Industry, innovation and infrastructure	The option will enhance digital infrastructure by modernising systems, promoting innovation in public service delivery, and ensuring efficient and secure data handling. It will facilitate the development of efficient processes, encouraging the adoption of technology and innovation.	

SDG no. 10 – Reduced inequality	By ensuring equal access to social security services across Member States, the option will help reduce inequalities.	
SDG no. 16 - Peace, justice and strong institutions	The option will strengthen institutions by improving transparency and fostering trust in public administration services.	



ANNEX 4: ANALYTICAL METHODS

This annex describes **the analytical framework used** in the impact assessment. It outlines the **data sources, specific techniques employed for data collection**, and the **analytical methods used to measure potential impacts** both quantitatively and qualitatively. Additionally, the annex discusses the **limitations of the available data and the underlying assumptions** to ensure a balanced and informed interpretation of the findings.

The **methodological approach** relied on the insights and methodologies from the external study on digitalisation in social security coordination, complemented by internal analyses and further comprehensive stakeholder outreach (see Annex 2).

Overview of analytical methods used, general remarks regarding data and evidence limitations and remedial measures

The following methods were used to develop this impact assessment:

- **Literature review**: The impact assessment primarily relied on the collection and analysis of existing **secondary data**. A structured mapping exercise was conducted to identify relevant, reliable, and up-to-date information, prioritising EU-wide sources. These included, but was not limited to, authoritative sources such as official EU statistics (Eurostat), statistical reports on intra- EU mobility and social security coordination, academic literature, EU legislation, EU and national policy documents, recent studies commissioned by the Commission and the European labour Authority, reports from relevant bodies and other EU institutions, previous evaluation and impact assessments of relevant legislation. The evidence gathered through this secondary research[215], including key statistical findings, trends, and qualitative assessments, is directly integrated into the body of the report.
- **Stakeholder consultations: Primary data** was gathered **through in-depth interviews** with 97 stakeholders, **two comprehensive online surveys** – one specifically focusing on the impacts – and **two dedicated workshops** designed to discuss problems, options, and impacts, and to validate findings. This was done primarily in the context of the supporting study. Stakeholders from Member States were also engaged through the regular meetings of the Administrative Commission (AC) and the Technical Commission, including a Working party of the AC devoted to ESSPASS and the study findings on cost-benefit analysis. Further consultations of stakeholders included the Implementation dialogue on fair labour mobility, the high-level meeting on digitalisation in social security coordination, the hearing of EU social partners. Finally, input from the general public was solicited via the call for evidence and the public consultation. Detailed information is provided in Annex 2.

[215] Study on digitalisation. Key search terms included “SSC”, “digitalisation of social security”, “portable documents”, “EHIC”, “EESSI”, “ESSPASS”, “labour mobility EU”, “cross-border healthcare”, “digital public services EU”, and related combinations. Searches were conducted across major academic and policy databases (such as the Publication Office of the European Union, JSTOR, and Google Scholar), official EU and national institutional repositories (including EUR-Lex, Eurostat, European Commission, European Labour Authority, national ministry websites, and social security institutions' websites), and grey literature sources. The selection process prioritised recent EU legislation, official reports, peer-reviewed academic literature, and authoritative policy documents.

- **Engagement with ESSPASS pilot projects:** Pilot activities, notably the DC4EU and the proof of concept on the enhanced EHIC (see annex 10), provided practical insights and real-world evidence regarding the implementation challenges, costs and benefits associated with proposed policy options. The findings from these pilot activities helped to refine methodologies, understand implementation scenarios and their likelihood, address potential data limitations.
- **Economic and statistical analysis:** The data analysis aimed to identify the problem, quantify its magnitude, forecast its trajectory without policy intervention, and evaluate the impacts of the selected policy options. This process relied on the collected evidence, estimates and several assumptions detailed in this Annex and Annex 9 for the problems and baseline.

Methodology for the analysis of the problem

The **problem analysis faces several limitations**, primarily due to some difficulties in quantifying the scale of the existing challenges caused by limited data availability and the fact that data reflect the experiences of individuals who choose or were able to report them. Evidence from Member States regarding the size of fraud and error that the initiative could address is scarce and feedback from certain stakeholders, such as healthcare providers, remains particularly limited. Consequently, the available figures likely underestimate the true magnitude of the issue, necessitating an approach that balances quantitative data with qualitative insights. Efforts were made to further engage stakeholders which helped for instance to get a broader participation of healthcare providers in the public consultation.

Nevertheless, **a robust evidence base** was established by employing **a mixed-methods approach integrating qualitative and quantitative data from the literature review, the pilot projects and a variety of stakeholder groups,** notably national authorities - such as ministries, social security institutions - and labour inspectorates (directly or through the European Labour Authority) – businesses, social partners (directly) healthcare providers (directly or through the health national contact points) and individuals (through the call for evidence and public consultation).

Comprehensive calculations, data sources and assumptions for the analysis of the problem, its consequences and the baseline scenario are presented in Annex 9.

Methodology for the analysis of the impacts of policy options

The **assessment of impacts** is underpinned by the following cross-cutting analytical considerations:

- The **assessment primarily examines the impacts of digitalising procedures related to portable document A1 and the European Health Insurance Card (EHIC)**, while other portable documents are considered where relevant and feasible. This focus is driven by the more widespread circulation and use of those two documents and is informed by the practical insight from the pilot projects. Impacts for other portable documents are generally assumed to be comparable to those of portable document A1.
- The **analysis explores various technical implementation scenarios for policy options**, considering different design choices and national implementation approaches. The estimates are provided for all scenarios, as each remains a potential option for

Member States. Nevertheless, the report assesses the relative likelihood of these scenarios and tries to identify those that could be considered as more plausible. Final implementation decisions will depend on factors like national administrative frameworks, governance preferences, legal restrictions, technical capabilities, and policy goals. These decisions may also be informed by the cost-benefit analysis discussed in this report.

- The **eventual allocation of costs among stakeholders will depend on the specific arrangements adopted at national level**. This includes factors such as budget allocations by national authorities, and the establishment of coordination mechanisms and shared infrastructure as well as availability of EU funding. The report outlines the expected ranges of total costs and benefits based on plausible scenarios and their sensitivities, **including reference estimates aiming to narrow down the most likely scenario**. It then identifies the stakeholders potentially impacted and how.
- The analysis **differentiates between voluntary and mandatory implementation**. Under the voluntary scenario, it is presumed that not all Member States will adopt the complete solution within the next 15 years. It is presently unpredictable which Member States might participate, as this will depend on factors like national priorities, institutional readiness, resource availability. Evidence from the DC4EU pilot, involving beneficiaries from nine Member States, highlights these countries' higher interest, awareness, and familiarity with the proposed solutions, suggesting a greater likelihood of participation. A further group of Member States participated as associated partners, indicating a degree of engagement and preparedness that might lead to subsequent adoption. While it cannot yet be determined which Member States will participate, the interest shown by those involved in pilot initiatives suggests **an average 50% participation rate under a voluntary scenario**. This estimate serves as a plausible basis for modelling impacts in the absence of firm commitments. Given the uncertainty regarding which precise Member States will participate, a 50% participation rate is translated into an equally distributed coverage of potential costs, applicable to the aspects in which Member States may not partake. All Member States are assumed to be required to establish verification mechanisms, ensuring the system's functionality, despite opting out of new document issuance formats.
- The assessment assumes a **three-year implementation period for policy options**, with cumulative effects estimated over a 15-year timeline (including the initial three years for setup).
- Digital solutions are seeing increased adoption, which may scale exponentially. Nevertheless, a segment of sceptics and digitally under-skilled stakeholders are expected to remain a factor over 15 years. A 2022 survey conducted by a major multinational technology company[216] indicated two-thirds of EU citizens would opt for a **European Digital Identity Wallet solution**, with younger individuals showing more enthusiasm. Increased day-to-day presence could drive further acceptance. As the wallet becomes more integrated into daily services and administrative processes, acceptance and usage are likely to rise, with an assumed **75% adoption rate of wallets over 15 years**. **Meanwhile, 25% of individuals may still prefer non-digital solutions.** This upward revision from the survey data anticipates progressive adoption as the ecosystem evolves, while maintaining a realistic outlook. Greater integration into everyday interactions is expected to drive higher adoption rates as the solution becomes more

[216] https://www.securitymagazine.com/articles/97906-2-out-of-3-european-citizens-welcome-digital-id-wallet

accessible and embedded in routine activities. In the absence of more comprehensive official data on future adoption trends, these elements provide a reasonable basis for the 75% uptake assumption, while remaining subject to uncertainty and open to more conservative alternative scenarios. To address this, the assessment tested the 75% digital wallet uptake in sensitivity analysis, varying the adoption rate to assess how lower and higher uptake levels influence the projected impacts (section 0).

- Costs and benefits are presented in current prices, not adjusted for inflation. One-off costs are incurred in the short to medium term, with most recurrent costs calculated as a share of these. Costs for IT solutions may further vary due to technological advancements. The analysis prioritises comparing the relative magnitude of impacts across policy options over long-term budget forecasts. As inflation is expected to broadly affect all options similarly, adjustments for it would not alter the relative comparison. Benefits are calculated as savings on current costs and already reflect present-value effects in real terms rather than nominal future amount. Using current prices enhances transparency and comparability while avoiding speculative macroeconomic assumptions.

Assessing the costs per Member State presents significant challenges due to variations that depend on the selected scenarios for national-level execution and technical design. These variations create uncertainty surrounding future implementation, making it difficult for Member States, pilot experts, and other stakeholders to provide accurate national cost projections.

Moreover, policy options 2 and 3 anticipate a technical implementation using EUDI wallet technology with decisions to be taken at national level which will influence its implementation within the social security coordination area. As EUDI is still in the early stages of implementation, there are no existing EU-wide or Member State-specific cost and benefit figures from previous initiatives available for benchmarking.

Some countries, like Denmark, have also expressed their inability to estimate costs and benefits for ESSPASS without a final, binding decision on the solution's implementation. Others have highlighted their constraints due to limited time and resources, further challenging precise assessments.

Consequently, costs and benefits are estimated primarily using data and findings from pilot projects. The analysis is grounded in estimates and reasonable assumptions, employing a triangulated approach to integrate data from the pilot projects, notably DC4EU project, with other stakeholders' insights and desk research. This comprehensive method enables adjustments for uncertainty and facilitates benchmarking against other available sources.

While maintaining proportionality in assessment, a multi-criteria analysis has been adopted. Certain impacts are assessed exclusively on a qualitative basis.

This also considers the fact that many impacts are largely qualitative in nature, like increased convenience for individuals and businesses, enhanced trust among stakeholders, influence on intra-EU mobility and freedom to provide services, stimulation of innovation.

Assessment of economic benefits

The assessment of economic benefits for different policy options builds on baseline cost estimates (see section 0. and Annex 9).

Costs savings from faster cross-border verification

For policy option 1, it is assumed that verification procedures take no more than one minute, regardless of whether the document is presented in paper or electronic form. This assumption applies to all checks, as enhanced documents can be verified using a verifier application irrespective of whether they are presented in physical or electronic format. Under this option, identity checks would still be required (assumed 1 minute), but all other verification steps would be performed in almost real time (a matter of seconds). Efficiency gains are therefore calculated as the time saved compared to baseline verification durations, by comparing current practices with the assumed one-minute verification time per check.

For policy option 2, verification checks are assumed to be in almost real-time (a matter of seconds), as no separate identity verification step is required when using the EUDI wallet. As a result, time savings are more substantial than under Option 1 (1 minute) for wallet users. However, these benefits are applied under the assumption of a 75% EUDI wallet uptake, reflecting the share of interactions in which the wallet functionality would be available. The remaining 25% of checks are assumed to continue using current procedures and therefore do not benefit from these efficiency gains.

Policy option 3 is modelled as a combination of the efficiency gains estimated under Options 1 and 2. It captures both the instantaneous verification for EUDI Wallet users (assumed for 75% of checks) and the streamlined one-minute verification process for the remaining checks based on enhanced physical documents. As a result, the overall impacts under Option 3 are higher.Cost savings were estimated using the baseline estimates and applying standard ISCO-4 wage rate (clerical support workers, reflecting inspectors and administrative officers) for Portable document A1 and ISCO 3-wage rate (technicians and associate professionals, reflecting healthcare administration staff) for EHIC[217]. The report assesses the cost savings over a 12-year projection period following the initial 3 years of implementation, using two scenarios as in the baseline. The first is a constant scenario, in which the number of documents issued, and checks performed is assumed to remain at current levels throughout the projection period. The second is a growth scenario, in which the volumes of documents and checks increase in line with the estimated annual growth in EHIC issuance and portable document A1 activity. These scenarios are used consistently in the quantitative analysis to reflect both a conservative and a dynamic trajectory of uptake.

A linear regression analysis was applied to the available data series (2013–2023) to estimate a long-term trend and project values. To avoid undermine trend estimations, the years 2020 and 2021 were excluded from the analysis due to their atypical nature, likely reflecting pandemic-related disruptions. A specific exceptional development occurred in 2019. That year saw an isolated unprecedented increase in the overall number of portable document A1 forms issued, driven by Germany. Germany recorded a fourfold rise in the number of portable document A1 forms compared with 2018, corresponding to an increase of nearly 1.3 million documents. The underlying explanation for this drastic change may be found in the increased awareness of

[217] See Annex 9 baseline. Eurostat data for hourly labour costs.

German employers about the application procedures for a portable document A1, and consequently their increased applications[218].
The linear model ensures clarity for stakeholders and provides a transparent and comparable baseline projection, though interpretations of long-term projections should be treated with caution, particularly in light of potential non-linear dynamics in issuance patterns such as the abrupt increase in portable document A1 issuance in 2019.

Estimates for voluntary options

- PO1: EUR 9–31.5 million for portable document A1 verifiers, EUR 11–34 million for EHIC verifiers, EUR 10–30 million for businesses.

- PO2: EUR 9.5–22.75 million for portable document A1 verifiers, EUR 10–27 million for EHIC, EUR 8.5–24.5 million for businesses.

- PO3: EUR 12–36 million for portable document A1 verifiers, EUR 11.5-34.5 million for EHIC, EUR 11.5–32 million for businesses.

Cost savings resulting from reduced fraud

The assessment of fraud and error reduction impacts is based on the assumption that the introduction of instant verification improves the ability of competent authorities to detect invalid, forged, or outdated documents at the point of use. By enabling immediate verification of the authenticity, integrity, and validity of credentials, real-time verification is expected to reduce both fraudulent use and administrative errors, thereby lowering disputes and follow-up procedures in claims processing.

Across all options, estimates are derived using baseline assumptions on the prevalence of false portable document A1 and EHIC cases, acknowledging that data on fraud are scarce, fragmented, and not systematically collected at EU level. The results should therefore be interpreted as indicative and illustrative of potential orders of magnitude rather than precise forecasts.

Projected benefits are based on savings from reduced fraud-related cases over a 12-year period following a three-year implementation phase.

Policy Option 1 reduces the use of false or altered documents compared to the current baseline by employing digital signatures and secure features like QR codes. Although it improves fraud prevention related to documents, it does not address impersonation or identity fraud, limiting its impact to invalid or forged documents.

Policy Option 2 focuses on wallet-based credentials, providing higher assurance through cryptographic verification and strong identity binding with the EUDI Wallet and Person

[218] See statistical report on portable document A1 2019.

Identification Data (PID), also reducing identity-related fraud risk for wallet users. Although the adoption of the Wallet is assumed to reach approximately 75%, the remaining 25% of users would continue using the existing paper-based system, which lacks advanced fraud-prevention features. Consequently, fraudulent activities could still be attempted through the legacy physical channel, with non-enhanced physical documents remaining valid and operational. This coexistence limits the system-level efficacy in preventing fraud, as those intent on committing fraud may persist in using the less secure paper-based documents. Therefore, the analysis assumes that while the Wallet will reduce fraud, its overall impact on fraud at the aggregate level would be limited as long as the legacy system remains operational. To avoid overstating the benefits amidst this structural limitation, it was conservatively assumed no cumulative cost savings related to fraud under this option.

Policy Option 3 combines enhanced physical documents with wallet-based credentials. This approach reduces fraud opportunities across digital and non-digital channels, comparable to document-related fraud reduction seen in Policy Option 1, while also providing stronger identity assurance for wallet users.

Estimates for voluntary options

PO1 and PO3: reductions of 23 500 to 41 500 cases of false portable document A1s, translating into estimated EUR 44.5-78.5 million. For EHIC, up to EUR 60 million.

Environmental impact

The focus of the assessment of environmental impacts associated with the policy options is on material use (plastic and paper) and direct cost implications, with qualitative consideration of other environmental effects. While the use of more digital solutions may increase energy consumption, such impacts were not identified as significant by consulted stakeholders. Furthermore, the quantification is limited to the EHIC, as this document is issued in large volumes and is currently produced in plastic card format.

The baseline reflects the continuation of current practices for EHIC issuance, without additional EU-level intervention.

Key baseline parameters and assumptions[219]:

- EHICs issued (2029–2040): 329 million cards
- Plastic per EHIC: 4.5 grams per card.
- Printing cost per plastic card: EUR 0.50[220] (tested in the sensitivity analysis)
- Printing cost per paper page: EUR 0.05

[219] Study on digitalisation in social security coordination.
[220] Such prices can be substantially higher depending on the specific features of the card. 0.5 euro is used as a conservative estimate for a pure plastic card. If features such as chips are included, the price increases.

- One tree produces approximately 8 616 sheets of A4 paper[221]
- Usage of digital solution (wallet or electronic version) when offered: 75%
- Printing of documents when possible: 25%
- Voluntary participation to sub-options: 50%

Quantitative indicators assessed:

- Plastic consumption (tonnes avoided)
- Paper consumption (pages and trees)
- Cost change (EUR)

Formulas applied

$$Plastic\ reduction\ (tonnes) = \frac{(Number\ of\ plastic\ EHICs\ avoided * 4.5)}{1{,}000{,}000}$$

$$Paper\ pages = Number\ of\ users\ printing * pages\ per\ document$$

$$Trees = \frac{Number\ of\ paper\ pages}{8{,}616}$$

$$Net\ cost\ change = plastic\ card\ savings - additional\ paper\ printing\ costs$$

Key assumptions per policy option

- Policy Option 1: Shift to downloadable EHICs, with residual printing. This means plastic cards are phased out. Consequently, strong plastic card reduction, while paper consumption increases. Under the voluntary option this happens in part.
- Policy Option 2: Wallet-based option with parallel existing plastic card option. The more the wallet is used the fewer plastic cards are needed. Impacts focus on trade-off between plastic cards and wallet.

[221] https://mightymercado.github.io/Tree-Usage-Calculator/.

- Policy Option 3: Wallet-based credentials with residual printing. The more the wallet is used the fewer paper is used. Plastic is reduced by the shift to this solution particularly in the binding form.

Under policy option 1, all plastic EHICs are replaced by enhanced digital or printable versions, such as PDFs with QR codes, no citizen receives a plastic card regardless of their digital behaviour, as those who wish to keep a physical copy can print it on paper, so plastic is fully eliminated for the affected population.

Under policy option 2, the report assumes that 75% of people use the EUDI Wallet and therefore no longer need a plastic card, while the remaining 25% who do not use the wallet continue to receive the existing plastic EHIC, as this option does not introduce an alternative physical format, so plastic cards remain in circulation for this group and the overall plastic reduction is lower.

Under policy option 3, which combines the EUDI Wallet with enhanced printable documents, 75% of people use the wallet and the remaining 25% receive enhanced paper versions instead of plastic cards, meaning that plastic is fully eliminated as under policy option 1.

As a result, the plastic reduction achieved under policy option 3 is the same as under policy option 1 and not lower.

For each policy option, the total population of ~329.5 million EHICs is allocated across three categories: (i) plastic cards remaining, (ii) digital-only users (no physical output), and (iii) paper users (who print). The cost change is calculated as: (remaining plastic cards × EUR 0.50) + (paper pages × EUR 0.05) minus the baseline cost (329.5M × EUR 0.50).

Plastic reduction in tonnes = change in plastic cards × 4.5g ÷ 1,000,000.

Estimates for voluntary options

PO1 and PO3: savings up to EUR 80 million

P02: savings up to 62 million

Implementing costs

The table below summarises the core cost components considered in the assessment.

Table 1. Overview of key cost components considered for the analysis

Costs under the baseline
• **Wallet development**: considered part of the baseline, as each Member State is expected to provide an EUDI Wallet by 2026. No additional costs for building a wallet are attributed to the different policy options. These include also public awareness campaigns related to the promotion and uptake of the wallet, which falls outside the scope of the assessment. • **Costs related to requesting and processing documents under the SDGR** (e.g. portable document A1, and EHIC) are considered part of the baseline and are therefore not included in the cost estimates for the policy options (see 0 for more details).

Costs under the baseline
Core cost components – common to all policy options
• **Issuing infrastructure**: creation, management, distribution and revocation of digital credentials, testing and validation, training and documentation for operators, deployment etc. • **Verifier application**: software development, maintenance and update, training and capacity building, additional equipment, marketing/ publicity. • **Trust framework**[222]: formal rules, standards, governance mechanisms, and repositories that enable all stakeholders to trust the authenticity, integrity, and validity of the digital credentials that are exchanged. • **Compliance and legal adaptation:** legal and regulatory adaptations

Source: Study on digitalisation in social security coordination

Evidence base from the DC4EU pilot for the assessment of costs of policy options

Data from the DC4EU project served as a foundational reference, informing the assessment of costs for policy option 2 and 3 while offering assumptions related to their applicability to option 1 and 3 (enhanced documents). It also provides detailed information on key aspects such as the number of actors involved and relevant elements like the number of verifier applications. The tables below 2 to 5 indicate all the steps required per each stakeholder for the implementation. For each step, an estimated cost is provided. The implementation costs are grouped in the four main cost categories already described in section 0 (issuing infrastructure, trust framework, verifier application, compliance and legal adaptation).

The main entities among which the costs indicated in the tables will be divided are:

- **Issuing institutions (or issuers)**: these are entities responsible for the creation, signing and management of digital credentials. They use data from one or more authentic sources and handle the credential lifecycle management (issuance, revocation, updates), in accordance with the applicable trust framework.

- **Authentic Sources**: An authoritative system or organisation that hold and maintain the original data (e.g. a ministry). They are legally responsible for the accuracy of that data. A digital credential is created based on data obtained from one or more authentic sources.

- **Verifiers**: the entity which performs the technical validation of a digital credential presented by the individual. (e.g. healthcare providers or inspectorates)

Table 2. Estimated one-off cost per issuing institution

[222] The costs considered reflect only the additional actions required to adapt and extend the already existing trust frameworks to specific needs under assessment.

Implementation Step	Estimated Cost (EUR)	Notes	Shared investment[223]	Cost category[224]
Project planning and requirements analysis	15,000	Includes stakeholder interviews and initial planning	1	Issuing infrastructure
Legal & regulatory compliance check (eIDAS, GDPR)	10,000	Legal consultation and regulatory review	1	Compliance and legal adaptation
Design of data models for attributes and PID	12,000	Model compliant with eIDAS and W3C VC Data Model	1	Issuing infrastructure
Integration with authentic sources (e.g., registries, revocation)	40,000	Secure API or batch integration with authentic sources	1	Issuing infrastructure
Identity mapping & LoA High identity proofing	25,000	Integration with eID schemes, LoA High level proofing	1	Issuing infrastructure
Development of issuer system (core components)	50,000	Core system for issuing, user/admin dashboard	1	Issuing infrastructure
Credential issuance via OpenID4VCI	20,000	Standards-based implementation (OpenID4VCI)	1	Issuing infrastructure
Implementation of signing & sealing (QES/QSealC)	15,000	Qualified trust service setup with QES/QSealC	0	Issuing infrastructure
Registration with national Trusted List	10,000	National notification process, audit readiness	1	Trust framework
Integration into EUDI Wallet ecosystem	20,000	Ensure wallet compliance and testing protocols	1	Issuing infrastructure
Setup of revocation mechanisms	12,000	CRLs or status lists integration	1	Trust framework
Implementation of audit and verification proof logging	8,000	Immutable logs for verifier audits and trust assurance	1	Issuing infrastructure
User interface development (citizen portal/API)	15,000	Web/mobile frontend for credential pickup or requests	0	Issuing infrastructure
Testing and validation (security, performance)	10,000	Penetration tests, unit and integration testing	1	Issuing infrastructure

[223] 1: Investment made once, regardless of the number of issuers; 0: Investment required separately by each issuer.
[224] This column was added by the study on digitalisation in SSC and indicates the cost category to which the estimate applies.

Implementation Step	Estimated Cost (EUR)	Notes	Shared investment[223]	Cost category[224]
Training and documentation for operators	7,000	Internal training and user manuals	0	Issuing infrastructure
Deployment and production readiness	10,000	Final deployment, fallback systems, backups	0	Issuing infrastructure
Total	**279,000**			

Source: DC4EU from study on digitalisation in social security coordination

Table 3. Estimated one-off costs per authentic source

Implementation Step	Estimated Cost (EUR)	Notes	Shared investment	Cost category
Legal and Organisational Readiness	5,000	Ensure the authentic source is legally recognised and authorised to provide data for EAAs.	0	Trust framework
Data Model Mapping	10,000	Map internal data models to standardized EAA schema for each use case.	1	Issuing infrastructure
Identity Binding & LoA High Integration	20,000	Implement mechanisms to support identity mapping and verification at Level of Assurance 'High'.	1	Issuing infrastructure
API Implementation & Security Setup	10,000	Implement batch APIs to securely deliver data to the issuer and implement mutual authentication	1	Issuing infrastructure
Revocation API Implementation	10,000	Implement an API to manage revocation or issued attributes, ensuring real-time trust management.	1	Trust framework
Testing & Compliance	15,000	Test API interoperability and data integrity with issuer systems; ensure compliance with GDPR and eIDAS.	0	Issuing infrastructure
Monitoring, Logging & Audit Setup	10,000	Implement audit trails and monitoring for accountability and legal traceability.	1	Issuing infrastructure
Operational Readiness & Support	10,000	Train staff and ensure operational processes for secure and reliable data provision are in place.	0	Trust framework
Total	**90,000**			

Source: DC4EU from study on digitalisation in social security coordination

Table 4. Estimated one-off cost for the development of the verifier application

Implementation Step	Estimated Cost (EUR)	Notes	Cost category
Design & Requirements Analysis	15,000	Define verification flows, proximity use, and security	Verifier application
Development of Verifier App	40,000	App for requesting and scanning QR/mDL/mDoc & verifying credentials	Verifier application
Authentication Integration	20,000	Wallet-based inspector authentication mechanism	Verifier application
Verification Proof & Audit Trail	15,000	Generate and store cryptographic verification proofs	Verifier application
Compliance & Standards Alignment	12,000	Ensure OpenID4VP, SD-JWT, mDoc, GDPR compliance	Verifier application
Testing and Quality Assurance	10,000	Security, performance, and interoperability testing	Verifier application
Training and Documentation	5,000	User training, guides, and API documentation	Verifier application
Proxy Configuration & Integration	10,000	Connect relying party to verification proxy service	Verifier application
Secure Communication Setup	8,000	Set up encrypted channels and endpoint authentication	Verifier application
Proxy Verification Logic	12,000	Adapt logic to support remote validation via proxy	Verifier application
Total	**147,000**		

Source: DC4EU from study on digitalisation in social security coordination

Table 5. Estimated one off costs per verifier

Implementation Step	Estimated Cost (EUR)	Notes	Cost category
Register with National Verification Proxy	3,000	Registration of the entity with the national verifier infrastructure to be recognised as a relying party.	Trust framework

Implementation Step	Estimated Cost (EUR)	Notes	Cost category
Set Up Internal Access Control Systems	8,000	Ensure that internal systems can handle authorisation, access logging, and secure data processing.	Verifier application
Integrate with Proxy API	10,000	Configure and test API endpoints for real-time verification requests through the national proxy.	Verifier application
Staff Training and Compliance Checks	5,000	Training staff and conducting legal and compliance reviews for proper data handling.	Verifier application
Implement Proof of Verification Logging	6,000	Store verification proofs returned by the proxy for auditing and trust assurance.	Verifier application
Implement Inspector Authentication by Citizen	7,000	Enable verification inspectors to present a credential to citizens, validated through their EUDI Wallet.	Verifier application
Total	**39,000**		

Source: DC4EU from study on digitalisation in social security coordination

Costs for the issuing infrastructure

To establish the overall cost estimates for the issuing infrastructure, the analysis utilises the three potential implementation scenarios outlined in this document (see "Issuing scenarios" under section 0). Costs are divided among issuing institutions and authentic sources.

One-off costs

Table 6 summarises the key standard one-off steps typically required to implement the selected policy options, both mandatory and voluntary. The steps are the one indicated under the cost category "issuing infrastructure" in the tables presented earlier in the annex. These steps were identified by DC4EU for the EUDI wallet-based solution, and their applicability to the enhanced documents option was evaluated using experiences from Member States such as Belgium who led the proof of concept on the enhanced EHIC.

Table 6. Implementation steps of the policy options (Issuing infrastructure, one-off)

Steps	PO1	PO2	PO3
Issuer			
Designing data models for the relevant attributes	x	x	x
Integration with authentic sources	x	x	x

Steps	PO1	PO2	PO3
Identity mapping & LoA High identity proofing[225]		x	x
Development of issuer system (core components)	x	x	x
Credential issuance via OpenID4VCI		x	x
Implementing qualified electronic signing and sealing (QES/QSealC)	x	x	x
Integration into EUDI Wallet ecosystem[226]		x	x
User interface development (citizen portal/API)	x	x	x
Testing and validation (security, performance)	x	x	x
Training and documentation for operators	x	x	x
Deployment and production readiness	x	x	x
Authentic source			
Data scope and attribute mapping[227]	x	x	x
Identity Matching & LoA High Support[228]		x	x
API Specification & Interface Development[229]	x	x	x
Testing and compliance	x	x	x
Logging & Audit Capabilities	x	x	x

Source: Study on digitalisation in social security coordination based on DC4EU

Overall, costs per issuer and authentic source associated with policy options are detailed as follows:

Policy option 1

[225] Integration with eID schemes, use PID from EUDI Wallet to map and verify individuals' identity and confirm that identity proofing of the wallet holder is conducted at Level of Assurance High, either directly or via PID in EUDI Wallet.
[226] Ensure wallet compliance and testing protocols.
[227] Identify the specific attributes that will be shared (e.g., entitlement, insurance status, qualification). Map them to the data schema expected by the issuer and compliant with the EAA specification. This is required to ensure semantic alignment with the issuer and to support verifiable credential generation in a structured and interoperable way.
[228] Implement mechanisms to support identity mapping and verification at Level of Assurance 'High'. This ensures that the attributes can be correctly and securely bound to the intended wallet holder, a mandatory requirement under the EUDI framework.
[229] Implement batch APIs to securely deliver data to the issuer and implement mutual authentication. This enables machine-to-machine data transfer between the authentic source and the issuer in accordance with the Architecture and Reference Framework.

- Issuer: approximately 167,000 euro[230], with around 120,000 accounting for one-off shared costs that are incurred regardless of the number of issuer instances, and approximately 47,000 euro attributed to costs per individual issuer instance (then multiplied by the number of issuers).
- Authentic source: around 45,000 euro[231], with approximately 30,000 representing one-off shared costs incurred regardless of the number of authentic sources, and around 15,000 per individual authentic source.

Policy option 2

- Issuer: approximately 247,000 euro, with around 200,000 representing one-off shared costs that are incurred regardless of the number of issuer instances, and approximately 47,000 incurred per individual issuer instance.
- Authentic source: approximately 65,000 euro, with around 50,000 accounting for one-off shared costs incurred regardless of the number of authentic sources, and approximately 15,000 euro incurred per individual authentic source.

Policy option 3

The underlying processes and components involved in issuance are broadly the same when implementing the two options, with the main difference being the form of the output (wallet-based or enhanced document). Therefore, slightly higher costs are assumed, compared to Policy Option 2, estimated to be around 10% above the corresponding figures for that option.

Estimates for the different issuing scenarios are based on assumptions about the number of issuers and authentic sources in each case, with the number of authentic sources per country informed by evidence from DC4EU[232]. **The EU one-off costs of issuing** portable document A1 and EHIC per options and organisational scenarios (additional to baseline) are:

- **policy option 1: 29 million euro**, **38.5 million euro**, and **123 million euro** for issuing scenarios 1, 2, and 3, respectively. Additional costs for a voluntary implementation are 14.5 million, 19.25 million and 61.5 million euro.
- **policy option 2: it requires** an additional infrastructure layer to securely connect credential issuance to individuals' verified identities through national electronic identity systems. The cost assessment assumes a coordinated implementation approach. The DC4EU initiative provides a reference model and an open-source issuer component that could be tailored to suit national contexts. The costs are estimated at **30.5 million euro**, **44 million euro**, and **128 million euros** for issuing scenarios 1, 2, and 3. Costs for a voluntary implementation are 14.5 million, 22 million and 61.5 million euro.
- **policy option 3**: the issuer system largely mirrors those of the previous options. Costs are assumed to be approximately 10% higher than those estimated for policy option 2. This results in a total estimated cost ranging from **33.5 million** to **140 million euro** for

[230] These estimates are consistent with the experience of the proof of concept on the enhanced EHIC (approx. EUR 180 000), as shared in a live demo during the AC meeting of October 2025.
[231] Estimation based on input from DC4EU.
[232] https://dm158x9fyyzgp.cloudfront.net/wp-content/uploads/2024/06/DC4EU_D6.1_Business_Blueprint_V2.1.pdf page 104.

both portable document A1 and EHIC, with costs estimated at 17 million, 24,5 million to 70 million in a voluntary scenario.

Costs are summarised in Table 7.

Table 1. Total estimated EU (one-off) costs for the issuing infrastructure per scenario – Policy option 1

Scenario	Portable document A1	EHIC	Total
S1: Central state-wide issuer[233]	13.5 million euro	15.5 million euro	29 million euro
S2: Social security coordination-specific issuer	18.5 million euro	20 million euro	38.5 million euro
S3: Authentic sources as individual issuers	58 million euro	65 million euro	123 million euro
Total (min-max)	13.5 to 58 million euro	15 to 65 million euro	29 to 123 million euro
Voluntary implementation	7 to 29 million euro	7.5 to 32.5 million euro	14.5 to 61.5 million euro

Source: Study on digitalisation in social security coordination based on DC4EU

As explained in section 0, scenario 2 is used as the reference for cost estimates for all options.

Under Policy Option 2, the same back-end system as for Policy Option 1 would be needed, with an additional step to convert social security documents into credentials suitable for use in the EUDI Wallet. Wallet-based solutions require an additional layer of infrastructure to securely link the issued credential to the individual's verified identity. This involves connecting the credential issuance system to national identity verification mechanisms to ensure that credentials are issued only to the correct person. The cost assessment for this policy option assumes a collaborative, coordinated implementation approach. If Member States can reuse common components, such as open-source software modules or shared technical frameworks, the need to develop new applications from scratch can be reduced. The DC4EU initiative has already developed a reference model implementation that can be adapted to national contexts. It also provides a rulebook to guide the implementation of verifiable credentials for both the EHIC and portable document A1[234]. Within this model, authorised issuers generate cryptographically signed EAAs[235] which are securely incorporated into the wallet through a protected pick-up mechanism. For the EUDI Wallet, an open-source issuer component is already available to support the issuance of portable document A1 and EHIC attestations in SD-JWT-VC format[236].

[233] In this scenario, issuer-related costs are shared, as there is only one issuing authority for social security coordination, while the costs for authentic sources are aggregated across all entities.

[234] DC4EU_WP6_D6.3.1_Social_Security_Rulebook_V1.2. Available here: https://www.dc4eu.eu/wp-content/uploads/2025/08/DC4EU_WP6_D6.3.1_Social_Security_Rulebook_V1.2.pdf

[235] DC4EU_D5.2-Deployment-Testing-and-Piloting-Scenarios_v2.0. Available here: https://www.dc4eu.eu/wp-content/uploads/2025/08/DC4EU_D5.2-Deployment-Testing-and-Piloting-Scenarios_v2.0.pdf

[236] Available here: https://issuer.eudiw.dev/

As **policy option 2** requires additional steps compared to Policy Option 1, the associated one-off costs for issuers and authentic sources[237] are expected to be slightly higher[238]:

- **Cost per issuer**: **250 000 euro**[239]
- **Cost per authentic source: 65 000 euro**[240]

As for policy option, extrapolation based on the number of issuers (based on the defined scenarios) and authentic sources[241] in each country, leads to the costs outlined in the table 8.

Table 2. Total estimated EU (one-off) costs for the issuing infrastructure – Policy option 2

Scenarios	Portable document A1	EHIC	Total
S1: Central state-wide issuer[242]	14.5 million euro	16 million euro	30.5 million euro
S2: Social security coordination -specific issuer	21 million euro	23 million euro	44 million euro
S3: Authentic sources as individual issuers	60 million euro	68 million euro	128 million euro
Total (min-max)	14.5 to 60 million euro	16 to 68 million euro	30.5 to 128 million euro[243]
Voluntary implementation	7 to 30 million euro	8 to 34 million euro	15 to 64 million euro

Source: Study on digitalisation in social security coordination based on DC4EU

For **Policy Option 3**, based on the available information, the underlying processes and components involved in issuance are broadly the same when combining the two options, with the main difference being the form of the output (wallet-based or enhanced document). Therefore, slightly higher costs are assumed, compared to policy option 2, estimated to be

[237] Calculation based on data provided by DC4EU. However, some of these costs constitute shared investments, incurred regardless of the total number of issuers or authentic sources, while others are entity-specific and therefore scale with the number of issuers or authentic sources involved.

[238] As noted in the baseline, underlying precondition costs related to integrating the EUDI wallets and PID systems with diverse national e-government infrastructures are not included here; only the minimum additional costs are considered. The complexity of this identity-linking process varies substantially across Member States. Although such integration is a pre-requisite for a functioning wallet system, the analysis does not consider it part of the cost estimate, as a functioning EUDI wallet is a requirement independent of the implementation of any policy options.

[239] Out of which approximately 200k euro represent one-off shared costs incurred regardless of the number of issuer instances (hence accounted for once), and approximately 47k euro are incurred per individual issuer instance (hence multiplied by the number of issuers in each scenario).

[240] Out of which approximately EUR 50k represent one-off shared costs incurred regardless of the number of authentic sources (hence accounted for once), and approximately EUR 15k are incurred per individual authentic source (hence multiplied by the number of authentic sources).

[241] As identified by DC4EU in the 6.1 Business Blueprint: https://www.dc4eu.eu/wp-content/uploads/2025/07/DC4EU_D6.1_Business_Blueprint_V2.2.pdf

[242] In this scenario, only costs for authentic sources are included, not for the issuer as this is a central state entity (not only for social security), hence not attributed to the proposed solution.

[243] To qualify these estimates, extrapolating two rough individual Member State estimates to EU level, leads to 13.5 million euro and 18 – 30 million euro, respectively. This suggests that the estimates based on DC4EU data and scenarios can be considered conservative.

around **10% above the corresponding figures for that option**[244]. This leads to a total (min-max) of approximately **33.5 million to 140 million euro for both portable document A1 and EHIC** (17 million to EUR 70 million euro in a voluntary scenario).

Maintenance costs

Maintenance (recurring) cost estimates, consistent with available literature[245] and typically confirmed by consulted stakeholders[246], were expressed as a percentage of initial development costs. Specifically, a benchmark value of 15% from available literature was utilised as a mid-range indicator, confirmed by Member State representatives during the working party of the AC on ESSPASS.

This assumption of a 15% maintenance cost is a standard benchmark in the IT sector and is applied independently of the specific issuing scenario considered. The maintenance cost is calculated on the IT systems that need to be implemented under each scenario, rather than on the scenario itself. The different issuing options imply a different number of IT systems or solutions, for example a single central issuing system, one issuing system per sector, or one issuing system per authentic source. A higher degree of fragmentation would therefore not necessarily lead to a higher maintenance cost in percentage terms, but rather to a larger number of systems to be maintained, potentially by different organisations. In scenario S1, there are no economies of scale in the sense of a centralised development of multiple systems or units, as there is only one issuing system to be developed and maintained. Following initial development and deployment, policy options will incur recurrent compliance costs, covering maintenance and operational support to ensure reliability, security, and compliance, which are vital for system integrity and user trust. Maintenance costs fall to the document-issuing administrations and typically include:

- Continuous system monitoring: Supervision of performance, availability, and functionality to ensure smooth credential processes.
- Health and performance tracking: Use of diagnostic tools to assess system load and pre-empt disruptions.
- Security monitoring and incident response: Real-time mechanisms to tackle security breaches, including intrusion detection and penetration testing.
- Compliance oversight: Verification of adherence to legal and regulatory standards like GDPR, interoperability, and identity requirements, involving audits and updates.
- Support and issue resolution: Helpdesk and technical teams assist users and manage system updates or patches.

[244] While slightly higher costs are assumed, these do not fundamentally affect the overall cost structure. A 10% uplift is therefore used as a reasonable, proportionate estimate based on the available information.
[245] See https://appinventiv.com/guide/mobile-app-development-cost/, https://appwrk.com/insights/mobile-app-development-cost-breakdown , https://miracuves.com/blog/how-much-does-it-cost-to-build-an-app/
[246] Working Party meeting held on 1 October 2025

Table 93. Total estimated EU (recurring) maintenance costs for the issuing infrastructure, million EUR

Scenarios	Portable document A1 (yearly)	EHIC (yearly)	Total (Portable document A1 and EHIC, yearly)	Total (twelve years[247])
S1: Central state-wide issuer[248]	PO1: 2 PO2: 2.1 PO3: 2.3	PO1: 2.3 PO2: 2.4 PO3: 2.6	PO1: 4.3 PO2: 4.5 PO3: 4.9	PO1: 51.6 PO2: 54 PO3: 58.8
S2: Social security coordination-specific issuer	PO1: 2.8 PO2: 3.1 PO3: 3.4	PO1: 3 PO2: 3.4 PO3: 3.7	PO1: 5.8 PO2: 6.5 PO3: 7.1	PO1: 69.6 PO2: 78 PO3: 85.2
S3: Authentic sources as individual issuers	PO1: 8.7 PO2: 9 PO3: 9.9	PO1: 9.8 PO2: 10.2 PO3: 11.2	PO1: 18.5 PO2: 19.2 PO3: 21.1	PO1: 222 PO2: 230.4 PO3: 253.2
Total (min-max)	**2 to 9**	**2.3 to 11.2**	**4.3 to 21.1**	**51.6 to 253.2**
Total (Voluntary)	**1.5 to 4.5**	**2.65 to 6.1**	**2.15 to 10.55**	**25.8 to 126.6**

Source: Study on digitalisation in social security coordination based on DC4EU

To provide benchmarks, Italy reported annual expenses of 100 000 euro for technical support and end-user assistance related to the EESSI system (sickness), as well as 50 000 euro per year for software upgrades. The development and maintenance of Lithuania's national EHIC IT system were approximately 67 000 euro for the year 2024[249]. If extrapolated to the EU level, these figures would result in yearly costs of a magnitude similar to those estimated in Scenario 2.

Verifier application

To establish cost estimates for the verifier application, the analysis uses the three potential implementation scenarios outlined in the document (see "Verifier Application Scenarios" in section 6.1.1).

The table below summarises the key steps typically required. The following steps were considered for costing the verifier application. These steps are based on information provided

[247] Maintenance costs would begin to accrue only after full deployment, estimated to occur around year three of implementation. Therefore, annual recurring costs for the portable document A1 and EHIC were aggregated and then multiplied by 12 (years), assuming a three-year implementation period.
[248] In this scenario, only costs for authentic sources are included, not for the issuer as this is a central state entity (not only for social security), hence not attributed to the proposed solution.
[249] Interviews conducted as part of the study on digitalisation.

by DC4EU and therefore refer to wallet-based solutions. However, the same steps would need to be implemented under all policy options, as the verifier application is common across them.

Table 10. Main steps to be taken for verifier application (one-off)[250]

Steps for verifier app development	Steps for verifiers
Design and requirements analysis: define verification flows, proximity use, security needs, and compliance requirements. **Development of the verifier app:** build the app for scanning and verifying QR, mDL, or mDoc credentials, including UI design and API integration. **Verifier authentication and role management:** implement secure login and role-based access for authorised verifiers. **Verification proof, audit trail, and governance:** generate verification proofs, maintain audit logs, and apply data minimisation and access controls. **Proxy configuration and verification logic:** connect to the proxy service, ensure encrypted communication, and enable remote validation. **Secure communication setup:** establish encrypted channels and endpoint authentication. **Testing and quality assurance:** perform security, performance, and interoperability testing. **Training and documentation:** provide user guidance and API documentation. **Packaging and deployment:** prepare and distribute the app through relevant channels (e.g., app stores or institutional systems).	**Set up internal access control systems:** ensure internal systems support authorisation, access logging, and secure data processing. **Integrating with proxy API:** configure and test API endpoints for real-time verification requests through the national proxy. **Staff training and compliance checks:** train staff and conduct legal and compliance reviews to ensure proper data handling. **Implementing proof of verification logging:** store verification proofs returned by the proxy for auditing and trust assurance. **Implementing verifier authentication by citizen:** enable verifiers to present credentials to citizens.

Source: Study on digitalisation in social security coordination, based on DC4EU input

The estimated one-off costs for developing a verifier application are approximately 150,000 euro per application, covering the steps previously outlined (refer to the tables 4 and 5 of this annex for a detailed breakdown of the estimated one-off costs associated with the development of the verifier application), as informed by DC4EU.

The overall expenses associated with onboarding verifiers are notably more intricate. Based on data from DC4EU, the one-time cost for each verifier —encompassing the steps highlighted above - is estimated at roughly 36,000 euro (refer to the tables 4 and 5 of this annex for a detailed breakdown per verifier). Determining total onboarding costs is relatively straightforward for portable document A1 (and similarly for other portable documents), as the

[250] The following costs and activities are excluded: any costs related to the trust framework (e.g. registration of the entity within the national verifier infrastructure to be recognised as a verifier; see relevant part), and any costs associated with the capability to extract data beyond the verification of validity (see part on integration with existing systems and infrastructure).

number and type of verifiers are relatively limited. Conversely, onboarding for the EHIC use case presents a greater challenge owing to the larger, more diverse group of potential verifiers.

To accurately estimate overall costs, it is essential to make assumptions concerning governance arrangements, particularly regarding the number and configuration of verifiers. For both portable document A1 and the EHIC, two illustrative boundary scenarios are proposed: one where a single central verifier per country is designated (e.g., a national inspectorate), and another involving multiple decentralised verifiers. Within the decentralised scenario for portable document A1, it is assumed that regional labour offices (one per region[251]) will operate as verifiers, whereas for the EHIC, individual hospitals[252] would function as verifier entities. Consequently, total costs were computed by multiplying the one-off cost per verifier (36,000 euro) by the assumed number of verifiers.

Table 114. Total estimated EU (one-off) costs for app development and onboarding of verifiers, million euro

	Portable document A1	EHIC	Total (Portable document A1 + EHIC)
Verifier Application Scenario 2	One verifier[253]: **2.6** Multiple verifiers[254]: **15.3**	One verifier[255]: **2.6** Multiple verifiers[256]: **358**	One verifier: **5.2** Multiple verifiers: **373**
Verifier Application Scenario 3[257]	One verifier[258]: **5** Multiple verifiers[259]: **17.7**	One verifier[260]: **5** Multiple verifiers[261]: **360**	One verifier**: 10** Multiple verifiers**: 378**

[251] For this assessment, one labour office per region of each Member State has been considered, for a total of 381 regions. These regions do not correspond to statistical regions, but rather reflect administrative organisations and how the system would likely be implemented in practice.
[252] For this assessment, it is assumed that approximately 10,000 public hospitals would act as verifiers.
[253] For instance, a national labour inspectorate. It has to be noted that for additional entities (e.g. enterprises, registration offices) a complementary proxy solution would be required, for which data were not available.
[254] Assuming multiple verifiers per country (one per region) and one app. While some stakeholders agree that only one app per country will be developed, other expect more than one per country, which could increase costs. Each additional app would cost around 150,000 euro.
[255] For instance, a central authority for all healthcare providers. It has to be noted that for additional entities (e.g. enterprises, registration offices) a complementary proxy solution would be required, for which data were not available.
[256] Assuming multiple verifiers per country and one app. Each additional app would cost ~150,000 euro.
[257] Calculations based on data provided by DC4EU.
[258] For instance, a national labour inspectorate. It has to be noted that for additional entities (e.g. enterprises, registration offices) a complementary proxy solution would be required, for which data were not available.
[259] Assuming multiple verifiers per country (one per region) and one app. While some stakeholders agree that only one app per country will be developed, other expect more than one per country, which could increase costs. Each additional app would cost ~150 000 euro.
[260] For instance, a central authority for all healthcare providers. It has to be noted that for additional entities (e.g. enterprises, registration offices) a complementary proxy solution would be required, for which data were not available.
[261] Assuming multiple verifiers per country and one app. Each additional app would cost ~150,000 euro. For the purpose of the assessment, we assume that approximately 10 000 public hospitals would act as relying parties.

Source: Study on digitalisation in social security coordination

All the cost elements for table 11 are coming from table 10, indicating the steps to build the verifier application and onboarding the verifier. All these elements are costed - per unit - in tables 4 and 5 in Annex 4. What changes between the different options defined in table 11 is:

- The verifier application scenario (defined in section 6.1.1): one central application made by EU or one application per each Member State.
- The number of verifiers: one single verifier at national level or a completely decentralised verification (in the last case, one verifier per region for portable document A1, 10000 verifiers for EHIC).

Recurring maintenance costs were estimated using the same method as applied to the issuing system, with a 15% annual rate of the initial development costs.

Table 12. Overview of maintenance costs, depending on the selected scenario

Scenarios	Portable document A1	EHIC	Total (Portable document A1 + EHIC)
Scenario 2	One verifier: **390 000 euro per year (4.7 million euro[262])** Multiple verifiers: **2.3 million euro per year (27.5 million euro)**	One verifier: **390 000 euro per year (4.7 million euro)** Multiple verifiers: **53.7 million euro (645 million euro)**	One verifier: **9.4 million euro** Multiple verifiers**: 672.5 million euro**
Scenario 3[263]	One verifier: **750 000 euro per year (9 million euro)** Multiple verifiers: **2.65 million euro per year (31.9 million euro)**	One verifier: **750 000 euro per year (9 million euro)** Multiple verifiers: **53.7 million euro (645 million euro)**	One verifier: **18 million euro** Multiple verifiers**: 677 million euro**

Source: Study on digitalisation in social security coordination

The costs are anticipated to impact IT service providers, system integrators, public authorities at national and regional levels (such as ministries and social security institutions), and verifiers. Given the variability in costs driven by governance choices - especially the number of verifier entities - forming a reference estimate necessitates assumptions about national implementation arrangements. Governance decisions, rather than purely technical factors, primarily influence overall costs, with onboarding, operating, and coordinating verifiers being the main cost drivers across all scenarios.

To develop a reference estimate, the analysis uses the following assumptions:

[262] As per above, assuming full development and deployment by 2028.
[263] Calculations based on data provided by DC4EU.

- For the portable document A1, one verifier per region is used as reference value.

- For the EHIC, which has a vast and fragmented landscape, it is assumed that Member States will work to streamline implementation and manage costs. This suggests a model where there is one verifier per four hospitals, considering that shared management structures are common within cities or regions. This approach reflects potential reliance on shared verification infrastructures, intermediary entities, or regional coordination to minimise fragmentation, reduce duplication, and efficiently handle onboarding and operational costs.

These assumptions aim to balance existing national organisational structures and expected cost-containment actions by Member States. Consequently, the reference estimate places total EU one-off costs for app development and verifiers at about 107.7 million euro. Other portable documents are expected to incur costs similar to portable documents A1, given the comparable nature and number of verifiers involved. As noted, costs should remain relatively consistent across policy options. Voluntary implementation sub-options are not applicable to the verifier application, as for the system to be functional, all Member States require a verifier application to validate documents issued by other participating countries.

Trust framework

Costs for the trust framework are assumed to be the same across all policy options, as the same steps would need to be implemented regardless of the chosen option (see tables 2, 3 and 5 of this Annex). The trust framework cost components are:

- Trust framework costs **for issuers**: a shared investment (per Member State) of 22,000 EUR (see table 2, "trust framework" cost category)

- Trust framework costs **for authentic sources**: a shared investment (per Member State) of 10,000 EUR and an investment of 15,000 per authentic source (see table 3, "trust framework" cost category)

- Trust framework costs **for verifiers**: an investment of 3,000 EUR per verifier (see table 5, "trust framework" cost category)

The costs will then vary based on the number of entities involved (issuers, authentic sources and verifiers). Assumptions regarding this number are aligned with those used for the other components: the number of authentic sources is inferred from the portable document A1 and EHIC institutions currently registered in EESSI (866 for portable document A1, 986 for EHIC). The number of verifiers could go from one centralised verifier per Member State to multiple decentralised verifiers (one verifier per administrative region for portable document A1, 10000 hospitals/healthcare providers for the EHIC)

Under the assumptions above, the estimated one-off cost range for Portable document A1 is between 14 million euro (one relying party/verifier entity) and 15 million across the EU (multiple relying parties). Total one-off costs for EHIC under a scenario with one relying party could range between 15.5 million euro across the EU and could reach approximately 46 million euro across the EU under a scenario with multiple relying parties. On this basis, the total one-

off costs for portable document A1 and EHIC combined are estimated to range from around 29.6 million euro in the first scenario to around 61 million euro in the second scenario.

For the trust framework, no central reference estimate is provided (such as e.g. a central value of ~EUR 45 million). The range of 29.6 – 61 million EUR for the trust framework is also reflected in the overall total reference estimates (see table 13 – Total), where a range is kept in the total reference estimate (e.g. EUR 464-496 million for policy option 3 - binding).

Compliance and legal adaptation

The implementation of the policy options would require Member States to undertake targeted legal and regulatory adjustments. Such adjustments may include, among others, amendments to national social security legislation and related administrative procedures.

These measures constitute a necessary component of the broader digital transformation of public administration. In most Member States, the institutional and procedural arrangements required to carry out such legal reviews and amendments are already in place. Although these activities would entail a certain degree of administrative effort and the involvement of legal and technical expertise, the related costs are not expected to be significant.

The need to ensure compliance with Union legal requirements is not specific to any individual policy option, but forms part of a wider Union objective to foster interoperable, secure and rights-compliant digital public services. Accordingly, legal and compliance-related activities are expected to generate synergies with ongoing legislative reforms and digitalisation initiatives, thereby limiting the additional burden for national administrations.

These one-off costs, to be borne by the competent authorities in the Member States and considered broadly comparable across policy options, are estimated at between EUR 600 000 and EUR 700 000 for the EU-27. Under a voluntary implementation scenario, such costs are estimated at between EUR 300 000 and EUR 350 000.

2.1.6 Summary of implementation costs

The table below summarises all the expected ranges and reference estimates for all core components costs and for all policy options (both voluntary and mandatory implementation). All the costs refer to the sum of portable document A1 and EHIC costs.

Table 13: Summary of the estimated costs (Portable document A1 and EHIC until n+15, total EU, million euro)

Core components	Frequency	Policy option 1		Policy option 2		Policy option 3	
		Voluntary	Binding	Voluntary	Binding	Voluntary	Binding

Core components	Frequency	Policy option 1		Policy option 2		Policy option 3	
Issuing infrastructure	One-off	**14.5 – 61.5** *(Reference estimate: 19.25)*	**29 – 123** *(Reference estimate: 38.5)*	**15 – 64** *(Reference estimate: 22)*	**30.5 – 128** *(Reference estimate: 44)*	**17 -70** *(Reference estimate: 24.25)*	**33.5 – 140** *(Reference estimate: 48.5)*
	Recurrent (cumulative)	**25.5 – 111** *(Reference estimate: 34.8 or 2.9 per year)*	**51 – 222** *(Reference estimate: 69.6 or 5.8 per year)*	**27 – 115** *(Reference estimate: 39 or 3.25 per year)*	**54 – 230** (*Reference* estimate: *78 or 6.5 per year*)	**29.5 – 126.5** *(Reference estimate: 42.5 or 3.55 per year)*	**59 – 253** *(Reference estimate: 85 or 7.1 per year)*
Verifier application	One-off	**5.2 – 377.7** *(Reference estimate: 107.7)*					
	Recurrent (cumulative)	**9.4 – 677** *(Reference estimate: 193 or 16 per year)*					
Trust framework	One-off	**29.5 – 61**					
	Recurrent (cumulative)	n/a					
Compliance and legal adaptation	One-off	**0.3 – 0.35**	**0.6 – 0.7**	**0.3 – 0.35**	**0.6 – 0.7**	**0.3 – 0.35**	**0.6 – 0.7**
	Recurrent (cumulative)	n/a					
Total one-off		**49.5 – 500** *(Reference estimate: 157 – 188)*	**64.3 – 562** *(Reference estimate: 176 – 208)*	**50 – 503** *(Reference estimate: 160 – 191)*	**65.8 – 567.5** *(Reference estimate: 182 – 213)*	**52 – 509** *(Reference estimate: 162 – 193)*	**69.8 – 579** *(Reference estimate: 186 – 218)*
Total recurrent (cumulative)		**35 - 788.1** *(Reference estimate: 228)*	**60 – 900** *(Reference estimate: 262 million)*	**36.5 – 792** *(Reference estimate: 232)*	**63 – 907** *(Reference estimate: 270)*	**39 – 803** *(Reference estimate: 235.5)*	**68 – 930** *(Reference estimate: 278)*
Total		**84.5 – 1288** *(Reference*	**124.3 - 1462** *(Referenc*	**86.5 – 1295** *(Reference*	**129 – 1475** *(Reference*	**91 – 1312** *(Reference estimate:*	**137.8 – 1509** *(Reference*

Core components	Frequency	Policy option 1		Policy option 2		Policy option 3	
		estimate: 385 – 416)	*e estimate: 438 – 470)*	*estimate: 392 – 423)*	*estimate: 452 – 483)*	*397. 5 – 428.5)*	*estimate: 464 – 496)*

Sensitivity analysis

A wide range of assumptions were used to estimate the costs and benefits, many of which were subject to uncertainty and therefore expressed as ranges. The sensitivity analysis aims to assess how changes in these assumptions affect the estimated costs and benefits, identify which uncertain assumptions contribute most to the uncertainty in the model results, and determine whether these uncertainties could affect the conclusions regarding the choice of the preferred option.

The efficiency estimates presented in this sensitivity analysis take into account only the monetised benefits and do not include non-monetised benefits, such as impacts on the Single Market, digitalisation or fundamental rights. As a result, these estimates provide only a partial assessment of the overall efficiency and the results presented in this section underestimate the total benefits.

The reference scenario is used as the starting point. It includes the reference values where available; otherwise, the average of the minimum and maximum values is used.

Voluntary options

Voluntary options, with cost and benefit estimates provided in Annex 4, were not assessed in the main report, as they had been discarded. Nevertheless, they were assessed in the sensitivity analysis. The voluntary scenario assumes that the solutions are implemented in 50% of the Member States; accordingly, the estimated benefits are also 50% of those of the corresponding mandatory options. Costs, however, are not reduced proportionally (see Table 13 in Annex 4). While the costs of issuing infrastructure, compliance and legal adaptation are reduced proportionally, the costs of verifier applications and trust frameworks are the same under the voluntary and mandatory options. Voluntary implementation applies only to the issuing component, but all Member States would need to implement the verification component for any solution to function effectively. Therefore, because benefits are reduced proportionally more than costs compared with the mandatory option, the voluntary options are less efficient than the mandatory ones.

	Mandatory			Voluntary		
Million EUR	PO1	PO2	PO3	PO1	PO2	PO3
Costs	455	469	480	400	407	413
Benefits	470	231	486	235	115	243

Net benefits	15	-238	6	-165	-292	-170
Benefit-cost ratio	1.03	0.49	1.01	0.59	0.28	0.59

Overall costs and benefits

The sensitivity analysis assessed the efficiency of the initiative under several cost and benefit scenarios, including the reference scenario (with reference costs when available or average estimates), the lower-bound estimates, the upper-bound estimates, and combinations of these.

For all options, costs vary over a wider range than benefits. Under all scenarios PO1 and PO3 have higher efficiency than PO2. If costs are low, all options remain efficient, even if the benefits are low. Under the high-cost scenario, none of the options are efficient. Under the average-cost scenario, only options PO1M and PO3M are efficient. This suggests that efficiency is influenced more by variation in the cost component than in the benefit component.

	PO1	PO2	PO3
Costs (million EUR)			
Costs, reference	455	469	480
Costs, min	125	129	137
Costs, max	1461	1474	1509
Benefits (million EUR)			
Benefits, reference	470	231	486
Benefits, min	317	180	330
Benefits, max	624	282	643
Net benefits or costs (million EUR)			
Reference	15	-238	6
Low benefits/low costs	192	50	192
High benefits/high costs	-838	-1193	-867
Low benefits/high costs	-1145	-1295	-1180
High benefits/low costs	499	152	505
Benefits to cost ratio			
Reference	1.03	0.49	1.01
Low benefits/low costs	2.54	1.39	2.40
High benefits/high costs	0.43	0.19	0.43
Low benefits/high costs	0.22	0.12	0.22
High benefits/low costs	5.00	2.18	4.68

Verifier applications

The costs related to verifier applications are the most significant cost component and also show the greatest variability. Therefore, an additional sensitivity analysis was carried out to assess how possible changes in these costs would affect efficiency, assuming that the other cost and benefit components remain in line with the reference scenario. The results confirm that, if verifier application costs are at the higher end of the range (meaning low level of sharing of verification infrastructure among verifiers), efficiency is negative across all options.

Conversely, if costs are at the lower end of the range, efficiency is strongly positive across all options.

Million EUR	PO1	PO2	PO3
Verifier application, reference costs			
Costs	455	469	480
Benefits	470	231	486
Net benefits	15	-238	6
Benefit-cost ratio	1.03	0.49	1.01
Verifier application, min costs			
Costs	169	183	194
Benefits	470	231	486
Net benefits	302	48	292
Benefit-cost ratio	2.79	1.26	2.50
Verifier application, maximum costs			
Costs	1209	1223	1234
Benefits	47	231	486
Net benefits	-739	-992	-748
Benefit-cost ratio	0.39	0.19	0.39

Fraud

A sensitivity analysis assessed how the results vary depending on the assumptions used to estimate the benefits of reduced fraud. The lower-bound scenario assumes that the number of prevented portable document A1 fraud cases would remain constant over time and would not increase despite the growing number of portable document A1 documents, while the number of prevented EHIC fraud cases would remain constant at 0.1%. The upper-bound scenario assumes that the number of prevented portable document A1 frauds would increase in line with the growing number of issued portable document A1 documents, and that the number of prevented EHIC fraud cases would amount to 1% of all cards. The results are sensitive to these assumptions. Under a scenario in which the number of prevented fraud cases is low (as in the lower-bound scenario), efficiency is negative across all options. By contrast, if the number of prevented fraud cases is higher (as in the upper-bound scenario), efficiency becomes positive for PO1 and PO3.

All calculations assume no reduction in fraud under PO2, as this option retains legacy and physical systems alongside the EUDI wallet, leading fraudulent activity to shift to non-digital channels. However, this is a quite restrictive worst case scenario assumption: it assumes that every unit of fraud prevented in the EUDI wallet channel is assumed to reappear elsewhere in legacy or physical channels. This may not be the case, as the lower number of legacy-system cases relative to the baseline could increase the detection rate, thereby deterring fraudsters. Accordingly, an additional scenario was modelled in which PO2 was assumed to achieve a partial reduction in fraud, equivalent to 50% of the reduction achieved under PO1 and PO3. The results, presented in the third column, indicate that this revised assumption does not significantly affect the conclusions: efficiency remains negative under PO2, and PO2 continues to underperform relative to PO1 and PO3.

Million EUR	PO1	PO2 (0 fraud reduction)	P02 (fraud reduction)	PO3
Fraud reduction, average				
Costs	455	469	469	480
Benefits	470	231	325	486
Net benefits	15	-238	-144	6
Benefit-cost ratio	1.03	0.49	0.69	1.01
Fraud reduction, min				
Costs	455	469	469	480
Benefits	382	231	281	398
Net benefits	-73	-238	-188	-82
Benefit-cost ratio	0.84	0.49	0.60	0.83
Fraud reduction, max				
Costs	455	469	469	480
Benefits	558	231	369	574
Net benefits	103	-238	-100	94
Benefit-cost ratio	1.23	0.49	0.79	1.20

Environmental impacts

Environmental impacts include cost savings resulting from reduced production of plastic EHIC cards under all three options. For PO1 and PO3, some of these savings may be partially offset by increased paper use, as some people may choose to print the enhanced documents. One of the main assumptions used to calculate the cost savings was the cost of manufacturing a single card, estimated at EUR 0.50. This is a conservative estimate. Costs may be substantially higher depending on the card's specific features, such as chips. Assuming higher plastic card production costs results in significantly greater savings. If production costs are assumed to be EUR 2.00 per card, efficiency is positive under all three options (higher costs were confirmed by some countries such as France).

Million EUR	PO1	PO2	PO3
Cost of plastic card - EUR 0.05, reference scenario			
Costs	455	469	480
Benefits	470	231	486
Net benefits	15	-238	6
Benefit-cost ratio	1.03	0.49	1.01
Cost of plastic card - EUR 1.00			
Costs	455	469	480
Benefits	635	354	651
Net benefits	180	-114	171
Benefit-cost ratio	1.40	0.76	1.36
Cost of plastic card - EUR 2.00			

Costs	455	469	480
Benefits	964	601	980
Net benefits	510	133	500
Benefit-cost ratio	2.12	1.28	2.04

Wallet take-up rate

A sensitivity analysis was carried out on the assumed take-up of digital solutions, using a baseline of 75% and testing two alternative scenarios: 65% and 85%. It covered two dimensions: 1) digital wallet uptake under PO2 and PO3 and 2) digital storage rate of enhanced documents under PO1 and PO3 (as opposed to paper).

Changes in take-up rates will affect cost savings arising from faster cross-border verification of the portable document A1 for businesses and verifiers, and of the EHIC for healthcare providers. No impact on fraud prevention is expected under any option. Under PO2, fraudulent behaviour is assumed to shift to the remaining legacy solutions, leaving fraud reduction unchanged. Under PO1, fraud reduction is independent of whether the enhanced solution is printed or stored electronically. Under PO3, the level of fraud protection offered by digital wallets and enhanced solutions is similar, so a shift between them will not affect fraud reduction.

However, an increase in digital solutions uptake will have an environmental impact, as fewer plastic cards will be produced and less paper will be consumed. Conversely, under a lower digital solutions uptake scenario, more plastic cards will be produced, and more people will print their enhanced documents. To summarise, changes in the uptake of digital solutions will affect efficiency estimates through two channels: the speed of verification and environmental impacts. The results show that changes in the uptake of digital solutions have only a marginal impact on the overall results and do not change the conclusions reached under reference scenario.

Million EUR	PO1	PO2	PO3
Take-up – 75%			
Costs	455	469	480
Benefits	470	231	486
Net benefits	15	-238	6
Benefit-cost ratio	1.03	0.49	1.01
Take-up – 65%			
Costs	455	469	480
Benefits	468	214	484
Net benefits	14	-255	4
Benefit-cost ratio	1.03	0.46	1.01
Take- up – 85%			
Costs	455	469	480
Benefits	472	247	488
Net benefits	17	-222	7
Benefit-cost ratio	1.04	0.53	1.02

Conclusions

The sensitivity analysis shows that the efficiency estimates are most sensitive to changes in the costs of verifier applications and the assumptions regarding cost savings from reduced plastic card production. This underscores the importance of keeping the costs of verifier applications low, exploring and identifying opportunities for centralisation/sharing of verification infrastructure and building on investments needed for digitalisation in the e-Health sector (for healthcare providers). The sensitivity analysis also suggests that the benefits are likely to be higher than those estimated in the reference scenario, as the costs of manufacturing plastic cards are likely to be higher than assumed.

ANNEX 5: COMPETITIVENESS CHECK

Overview of impacts on competitiveness

Dimensions of Competitiveness	Impact of the initiative (++ / + / 0 / - / -- / n.a.)	References to sub-sections of the main report or annexes
Cost and price competitiveness	+	See section 0 (impact on competitiveness)
International competitiveness	+	See section 0 (impact on competitiveness)
Capacity to innovate	+	See section 0 (impact on digitalisation and innovation spillovers)
SME competitiveness	+	See section 0 (impact on competitiveness) and Annex 6

Synthetic assessment

Although precise quantification is not possible due to data limitations, stakeholders confirmed that the initiative is expected to have a positive impact on competitiveness across all dimensions by streamlining procedures, reducing administrative complexity, shortening processing times, minimising duplicate data submission as well by enhancing accessibility of cross-border services and fostering an environment conducive to innovation and growth. No risk of negative market distortions has been identified.

Thanks to reduced administrative hurdles, time required to obtain and verify portable document A1 and provide additional information in cases of doubts on validity, businesses are likely to experience decreased costs (see section 0, table 2 with regard to savings due to reduced operations' disruptions and need to provide additional information). Easier compliance with requirements can lead to greater efficiency in allocation of resources towards value-creating activities, which can enhance productivity. Improved access to cross-border labour markets will allow businesses to take advantage of a broader talent pool

and optimise operations, thereby enhancing their competitiveness in both local and international markets[264]. The initiative will also promote technological advancement by encouraging digitalisation in public services and seamless access to services for individuals and businesses. By adopting innovative solutions for the proof and cross-border verification of social security rights and insurance status, it strengthens the capacity for further innovations within the public sector. This should further contribute to EU economic expansion and businesses' competitiveness[265].

Competitive position of the most affected sectors

Some sectors could benefit more from the initiative, particularly those that rely heavily on cross-border labour movement due to the project-based and service-oriented nature of the work, like construction, transport and services industries. The initiative can enhance these industries' competitive positions by simplifying cross-border social security processes for posted workers.

Illustrative example of the structural exposure of the road transport sector

The road transport sector represents one of the most relevant cases due to its structural reliance on cross-border operations and the predominance of small and medium-sized enterprises (SMEs). The EU road transport sector comprises approximately **600,000 to 700,000 undertakings**, of which **more than 99% are SMEs**, often micro-enterprises employing fewer than ten workers[266]. Cross-border mobility is intrinsic to business operations, with drivers regularly operating in several Member States within short timeframes. Employers must ensure that drivers engaged in cross-border activities hold a valid portable document A1 attesting the applicable social security legislation under Regulation (EC) No 883/2004. At the same time, transport operators must comply with sector-specific posting declaration obligations through the Road Transport Posting Declaration Portal connected to the Internal Market Information System (IMI)[267].

[264] Organisation for Economic Co-operation and Development (2025). Boosting Business in Regions: Easing administrative burdens and financing constraints.
[265] 2026 single market and competitiveness report emphasises that insufficient cross-border digital services, persistent mobility and regulatory challenges are detrimental to SMEs and hinder European economic expansion.
[266] European Commission (2021) Study on the Competitiveness of the EU Road Freight Transport Sector, See Section 2.1, p. 15
[267] Article 1(11) of Directive (EU) 2020/1057 of the European Parliament and of the Council of 15 July 2020 laying down specific rules with respect to Directive 96/71/EC and Directive 2014/67/EU for posting drivers in the road transport sector and amending Directive 2006/22/EC as regards enforcement requirements and Regulation (EU) No 1024/2012

Although portable documents A1 are issued per worker for a defined validity period, companies must continuously manage certification alongside highly frequent posting procedures. This creates parallel administrative processes covering partially overlapping information throughout the lifecycle of driver mobility.

Operational data illustrates the scale of obligations. As of February 2026, approximately **89,400 operators** were registered in the posting declaration system, with **over 1.1 million drivers posted at least once in the previous two years** and nearly **50 million declarations processed**[268]. This confirms that compliance with mobility-related administrative requirements constitutes a recurring operational activity rather than an occasional regulatory obligation.

Administrative requirements and competitiveness implications for SMEs

For transport operators, administrative compliance must be managed in parallel with time-sensitive logistics operations. This creates particular challenges for SMEs, which generally lack specialised compliance departments and rely on managers or dispatch staff to handle regulatory procedures. Companies must ensure availability of portable document A1 during inspections and coordinate new document requests with operational planning.

In practice, administrative complexity translates into operational uncertainty. Drivers may be subject to roadside checks across different Member States, while companies must also be able to present documentation during inspections at business premises. When documents are managed through separate systems or formats, retrieving and verifying compliance information becomes more burdensome, particularly for smaller operators managing large numbers of mobility situations with limited administrative capacity. These frictions represent indirect costs affecting competitiveness by diverting managerial time away from core economic activities and reducing operational flexibility.

Synergies with existing digital tools for posting drivers

A key competitiveness advantage of fully digital portable document A1 procedures arises from potential synergies with digital tools already implemented in the road transport sector. Posting declarations are already submitted through a fully digital system and can be presented electronically, including in mobile format, during inspections. Alignment between the two procedures is expected to simplify compliance management in several practical ways. Companies would be able to manage mobility-related documentation within comparable digital environments, reducing the need to submit redundant information across different administrative channels. This streamlining of processes is particularly beneficials for SMEs, enabling more efficient

[268] Source: data from the European Commission, last accessed on 01/06/2026

compliance. From an operational perspective, standardised digital portable document A1 would also improve document retrieval during inspections. Drivers and operators accustomed to presenting posting declarations electronically could rely on similar mechanisms for social security certification, enabling faster verification during checks and easier provision of documentation during inspections at company premises. The convergence of procedures therefore reduces administrative friction not by changing legal obligations but by making compliance easier to organise and demonstrate in practice.

Competitiveness gains from digitalisation

The competitiveness benefits of the initiative derive primarily from improved administrative efficiency across the lifecycle of worker mobility rather than from reducing the number of documents issued. ESSPASS supports more efficient management of cross-border activities.

For SME transport operators, expected effects include reduced time spent monitoring documentation, improved legal certainty during controls and greater predictability in planning cross-border operations. These improvements lower non-productive costs and allow resources to be redirected towards productive activities such as logistics coordination and service provision.

Given the scale and frequency of mobility procedures evidenced in the sector, even incremental simplification generates cumulative effects. Digitalisation therefore contributes to strengthening competitiveness by facilitating compliance, reducing operational disruptions linked to administrative checks and supporting smoother functioning of the internal market for transport services.

Relevance beyond road transport: implications for sectors with mobile workers

The road transport sector demonstrates how administrative procedures linked to labour mobility operate at large scale and with high frequency, particularly affecting SMEs.

These characteristics are not unique to road transport. Similar administrative dynamics arise in other sectors relying on mobile or cross-border workers, including construction, temporary agency work, maintenance services, live performance, aviation or maritime activities, where employers must regularly request portable document A1 and submit posting declarations. In these sectors, SMEs also represent a large share of operators and face comparable challenges in complying with obligations and ensuring the availability of documentation during inspections.

The road transport example therefore provides a concrete illustration of broader competitiveness effects expected from ESSPASS. By enabling standard digital, interoperable portable document A1 procedures, the initiative supports more efficient compliance management across sectors characterised by worker mobility, reducing administrative friction while maintaining existing social security safeguards. The resulting efficiency gains contribute to improved productivity and facilitate cross-border service provision within the internal market.

ANNEX 6: SME CHECK

Overview of impacts on SMEs

Relevance for SMEs
Based on ISCG discussions, the initiative is relevant for SMEs[269]

(1) IDENTIFICATION OF AFFECTED BUSINESSES AND ASSESSMENT OF RELEVANCE
Are SMEs directly affected? *(Yes/No)* **In which sectors?** **Yes**
Some sectors are likely to be more positively impacted by the initiative, particularly those that rely heavily on cross-border labour movement due to the project-based and service-oriented nature of the work, like construction, transport and services industries. The initiative is expected to enhance these industries' competitive positions by simplifying social security processes for posted workers. More details are provided in Annex 5.
Estimated number of directly affected SMEs
It is not possible to estimate the exact number of directly affected SMEs. However, several countries reported the number of posting companies: • *Belgium (POSTING.STAT Country report)* *Incoming perspective: In 2023, there were 51 118 unique posting companies which posted persons to Belgium. It is important to note that 'posting company' consists of both employers which post workers to Belgium and self-employed persons who post themselves to Belgium. In 2023, some 35 128 posted self-*

[269] SME filter

employed persons were reported in Limosa. This results in some 16 000 employers of posted workers being registered in Limosa.
Outgoing perspective: It was reported that there were 4 233 Belgian employers in 2023 which posted workers abroad to other Member States

- *The Netherlands (POSTING.STAT country report)*
  Incoming perspective: In 2023, a total of 14.106 unique foreign service providers were registered in the Dutch notification portal.
- *Italy (POSTING.STAT country report)*
  Incoming perspective: The data on employers posting to Italy provide further confirmation of the growth of the posting phenomenon to Italy from 2022 to 2024. Indeed, an analysis of the data reveals a marked increase in the total number of posting employers, from 4,240 in 2022 to 4,918 in 2023, and further to 5,508 in 2024."
- *Luxembourg (POSTING.STAT country report)*
  Incoming perspective: In 2024, 4.970 different companies posted employees in Luxembourg.
- *Denmark (POSTING.STAT country report)*
  Incoming perspective: 7.823 companies in RUT (prior declaration tool) for 2025.

Estimated number of employees in directly affected SMEs

It is not possible to estimate the number of employees in directly affected SMEs.

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

See Annex 5 and 0. Facilitating intra-EU mobility not only offers direct benefits to workers and companies actively engaged in cross-border activities but also generates positive spillover effects for other businesses and stakeholders indirectly impacted, including local businesses connected to the mobility ecosystem. By helping support a more interconnected European economy, it encourages innovation, bolstering the overall competitiveness within the EU. Easier compliance and a better environment for labour mobility are also likely to encourage other businesses to expand operation across-borders.

(2) CONSULTATION OF SME STAKEHOLDERS
How has the input from the SME community been taken into consideration?
The perspectives and input of SMEs were gathered using multiple methods to ensure a comprehensive understanding of their needs and challenges. Businesses were invited to participate in a workshop on the initiative as part of the study on digitalisation in social security coordination. A hearing of social partners was also organised allowing industry representatives, including SMEs associations, to provide their views on the initiative and the existing problems. SME representatives were invited to the Implementation dialogue on Fair Labour Mobility. They participated in the call for evidence and public consultation. This diverse approach ensured that SME perspectives were incorporated into the analysis, in particular the call on simplified processes for the issuance and verification of portable document A1 and facilitate compliance when posting workers abroad (see Annex 2, section 0 and section 6.1.3, impact on competitiveness)
Are SMEs' views different from those of large businesses? *(Yes/No)*
Stakeholders indicated that simplification is likely to generate relatively greater benefits for SMEs compared to large companies (See Annex 2, section 0 and section 0, impact on competitiveness)

(3) ASSESSMENT OF IMPACTS ON SMES[270]
What are the estimated direct costs for SMEs of the preferred policy option*?*

[270] 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.

There are no estimated direct costs for SMEs
Qualitative assessment
n/a
Quantitative assessment
n/a
What are the estimated direct benefits/cost savings for SMEs of the preferred policy option[271]?
Qualitative assessment
Thanks to reduced administrative hurdles, time required to obtain and verify portable document A1 and provide additional information in cases of doubts on validity, reduction in redundant information submission, businesses are likely to experience decreased costs (see sections 0 and 0). These savings can lead to greater efficiency in allocation of resources.
Quantitative assessment
See section 0
What are the indirect impacts of this initiative on SMEs?
Improved access to cross-border labour markets will allow businesses to take advantage of a broader talent pool and optimise operations, thereby enhancing their competitiveness in both local and international markets.

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

(4) MINIMISING NEGATIVE IMPACTS ON SMES
Are SMEs disproportionately affected compared to large companies? *No* **If yes, are there any specific subgroups of SMEs more exposed than others?**
No
Have mitigating measures been included in the preferred option/proposal? (Yes/No)
N/a

CONTRIBUTION TO THE 35% BURDEN REDUCTION TARGET FOR SMES
Are there any administrative cost savings relevant for the 35% burden reduction target for SMEs?
n/a

Additional information

Further details on the impact on businesses and SMEs are presented in section 0 and Annex 5

ANNEX 7: THE PORTABLE DOCUMENTS AND THE EUROPEAN HEALTH INSURANCE CARD

List of forms, their purpose, legal basis and stakeholders involved

FORM	PURPOSE/ USE CASE	LEGAL BASIS AND RELEVANT ACTS	STAKEHOLDERS
Applicable social security legislation – A1 form	Under EU social security coordination rules, an individual is subject to the legislation of only one country at a time. The A1 is issued by that country to attest which social security system applies to the worker. It proves they have no obligation to pay social security contributions in any other country. When a company sends an employee to work temporarily in another EU country, it must apply for an A1 form to attest the employee's applicable legislation. This is usually checked by labour inspectors in the host country. The form is also required for self-employed temporarily working abroad, individuals who normally pursue activities in more than one EU country, civil servants, mariners, flight or cabin crew members and contract staff working for the European Union.	Regulation (EC) No. 883/2004, Articles 11-16 Regulation (EC) No. 987/2009, Articles 15 and 19	Mobile workers Employers Member State of insurance Member State of (temporary) professional activity Labour inspectors
Accessing unplanned necessary healthcare abroad – European Health Insurance Card (EHIC)	A person insured in country A needs to access necessary healthcare in country B during a temporary stay abroad (e.g. during a holiday, a business trip or studying abroad). The person is entitled to any medical treatment that cannot wait until they get home. The person needs to show to the healthcare provider the EHIC certifying that they are indeed covered by the competent Member State A. Following the provision of healthcare services by Member State B, the cost of the healthcare can be reimbursed by Member State A.	Regulation (EC) No. 883/2004, Articles 19 Regulation (EC) No. 987/2009 Articles 25, A and C	Mobile persons/patients Healthcare providers Country of insurance Country of stay or residence (in case of short-term residence)

		Decision S1 and Decision S2	
Registering for healthcare cover in a Member State other than that of insurance - S1 form	A person moves temporarily to another country (e.g. posted workers). They must submit a certificate to prove their entitlement when registering for healthcare coverage.	Regulation (EC) No. 883/2004 Articles 17, 22, 24, 25, 26, 34 Regulation (EC) No. 987/2009 Articles 24, 28	Mobile person/workers including posted workers, cross-border workers, pensioners, civil servants and their dependants. Healthcare providers Member State of insurance Member State of stay/residence
Entitlement to scheduled treatment abroad - S2 form	A person wanting to access planned healthcare abroad, must prove to the receiving healthcare provider that they are entitled to planned health treatment in another Member State. Treatment will then be provided under the same conditions of care and payment as to nationals of that country.	Regulation (EC) No. 883/2004 Article 20 Article 36 of the implementing regulation	Mobile person Healthcare providers Member State of insurance Member State of stay/residence
Entitlement for former cross-border workers to treatment in the Member State where they used to work - S3 form	A former cross-border worker wishes to receive treatment in the former country of employment. They need to submit to the health insurance authority of this country a certificate. Costs will be borne by the country of insurance	Regulation (EC) No 883/2004, Article 28 Regulation (EC) No 987/2009, Article 29	Retired cross-border workers who are no longer insured in their former country of employment Healthcare providers Member State of insurance Member State of stay/residence

Aggregation of insurance periods for entitlement to unemployment benefits - U1 form	An employee or self-employed person works in a new country. After some time, they become unemployed and claim unemployment benefits in the new country. The person can provide a proof of their insurance history in other countries (U1 form), to be considered when calculating unemployment benefits ('aggregation principle').	Regulation (EC) No. 883/2004 Articles 6, 61, 62 Regulation (EC) No. 987/2009 Article 54(1) and (2)	Unemployed person Member State/s of previous insurance Last Member State where the person worked
Export of unemployment benefits - U2 form	To continue receiving unemployment benefits from country A while seeking work in country B: • Before departing, the individual must obtain a U2 form from the public employment service in Country A • Once in Country B, the individual must register as a jobseeker with the local employment services and submit the U2 form. • Provided they comply with local check-in procedures, Country A will continue to pay their unemployment benefits for a specified period, typically three to six months	Regulation (EC) No. 883/2004 Article 64 Regulation (EC) No. 987/2009 Article 55(1)	Unemployed person Member State paying the unemployment benefits Member State where the person is looking for a job
U3	The document is issued by the public employment service or the competent social security institution of the country where the person is looking for a job on the basis of a U2 form. It reports changes which may lead to a revision of the benefit payments.	Regulation (EC) No. 883/2004 Article 64 Regulation (EC) No. 987/2009 Article 55, 4	Member State paying the unemployment benefits Member State where the person is looking for a job
Claim for benefits in respect of accidents at work and occupational diseases - DA1 form	If a person is not insured in their country of residence, they must request a portable document DA1 from the institution where they are insured. This document provides official details regarding the accident or illness. The person must then present the form to the competent institution in the country of residence to ensure they receive the necessary benefits.	Regulation (EC) No. 883/2004 Article 36 Regulation (EC) No. 987/2009 Article 33	Mobile person Member State of insurance Member State of residence

Summary of pension decisions - Portable document P1	Mobile persons who contributed into the social security system of more than one Member State for a period of one year (or less in certain situations) are entitled to an old-age pension from every Member State when they reach the corresponding national retirement age in those Member States. The same applies in respect of survivors' benefits, and similarly to invalidity benefits. The portable document P1 is the summary of pension decisions that will be taken into account for the calculation of invalidity, old-age, or survivor's benefits. The document is issued by the pension authority to which the person made the pension claim, once the authority has received details of the decisions made by the various authorities who have dealt with the claim.	Regulation (EC) No. 883/2004 Title III Chapters 4 and 5 Regulation (EC) No. 987/2009 Article 48	Mobile person Member States of previous insurance Member State of last activity

RELEVANT FIGURES ON THE PORTABLE DOCUMENTS AND THE EHIC

Table 1. Number of portable documents and EHIC issued between 2013 and 2023 across the EU-27[272]

Portable Document (EU-27)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Portable document A1	1,680,543	1,862,102	1,978,146	2,212,363	2,717,078	2,884,994	4,512,401[273]	3,675,687	3,533,226	4,460,099	5,246,458
Portable document U1	-	-	-	-	-	28,451	24,377	25,830	17,605	19,117	20,340
Portable document U2		21,049	23,155	22,541	25,150	26,680	26,832	20,521	20,375	21 906	24,256
Portable document S2 –	26,873	34,816	30,745	26,178	28,819	27,442	26,799	20,694	20,312	20,455	22,974
Portable document S1			595,175	586,515	692,649	643,493	761,064	535,487	625,084	1,080,950	744,740

[272] Based on the updated statistical databases underlying the facts and figures on intra-EU labour mobility and EU social security coordination, https://webgate.ec.europa.eu/circabc-ewpp/ui/group/bab664d7-1188-47b2-9fa6-869902320ba2/library/98fa85bb-bfcd-48ee-94d4-fc0354973488?p=1&n=10&sort=modified_DESC

[273] A specific exceptional development occurred in 2019. That year saw an unprecedented increase in the overall number of portable document A1 forms issued, driven by Germany. Germany recorded a fourfold rise in the number of portable document A1 forms compared with 2018, corresponding to an increase of nearly 1.3 million documents. See statistical report on portable document A1 2019.

Portable Document (EU-27)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Portable document P1				81,030	92,644	901,129	923,249	925,928	925,540	1,024,883	1,023,747
EHICs issued	20,936,164	21,809,479	43,775,953	23,700,343	29,099,764	26,957,916	26,876,372	19,574,321	22,007,506	26,090,191	28,591,379
EHICs in circulation	47,140,163	36,413,197	129,024,479	55,983,545	113,886,363	68,920,230	134,956,136	131,993,042	62,167,431	210,810,146	220,759,100

Source: Study on digitalisation in social security coordination.

Table 2. Number of portable document and EHIC issued by issuing Member State, 2013-2023

Sending MS	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
BE	83,582	79,771	86,218	104,307	134,398	137,022	150,677	123,839	128,293	143,137	159,821
BG	14,185	14,203	15,839	19,595	36,220	26,315	30,153	25,773	26,370	26,612	26,674
CZ	30,912	31,675	37,174	47,578	67,933	63,693	80,973	61,206	68,277	69,505	80,519
DK	25,220	20,409	30,031	29,595	37,848	47,453	53,269	43,589	38,056	47,455	44,606
DE	254,469	255,724	240,862	260,068	399,745	475,704	1,798,596	1,397,383	997,031	1,607,884	2,016,266
EE	15,927	15,054	15,363	17,953	18,977	19,862	23,060	22,206	21,006	17,114	15,648
IE	7,396	7,654	7,899	7,339	7,745	7,464	6,820	6,094	1,711	5,427	5,427

Sending MS	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
EL	2,131	3,608	4,789	6,924	7,204	9,251	9,251	9,251	9,251	26	26
ES	101,705	111,557	125,711	147,424	191,148	248,532	252,270	176,353	211,529	270,906	267,707
FR	130,435	125,203	139,040	135,974	111,659	119,516	126,485	61,677	102,088	166,408	208,897
HR	10,227	27,556	38,998	42,602	60,026	65,949	67,359	71,331	83,740	83,514	82,959
IT	59,114	74,431	91,740	114,515	152,528	169,774	215,628	215,628	274,789	315,052	361,315
CY	2,192	1,955	3,091	3,552	4,040	4,040	4,040	4,040	3,294	3,294	3,294
LV	7,425	6,656	7,738	10,830	20,689	20,199	23,271	23,758	23,855	23,723	24,758
LT	17,342	19,208	25,254	30,723	70,180	78,384	95,074	93,726	110,641	109,316	126,979
LU	32,472	62,141	62,947	68,725	73,875	79,831	92,350	67,818	65,737	71,147	83,733
HU	68,489	68,234	63,663	65,185	82,881	64,217	71,095	44,310	68,849	68,849	85,003
MT	322	324	228	504	1,388	2,655	4,082	6,998	6,965	10,523	12,691
NL	95,719	116,060	95,017	98,687	103,738	100,660	104,652	86,809	81,889	87,596	90,594
AT	42,171	48,815	64,373	75,132	68,956	110,687	197,627	104,796	106,766	139,994	169,350
PL	385,422	428,405	463,174	513,972	573,358	605,785	648,032	617,772	676,839	722,614	849,523
PT	82,851	75,577	64,970	64,459	85,074	74,109	77,389	60,832	67,173	88,274	93,972
RO	51,939	57,194	46,871	50,855	84,743	71,207	82,443	66,659	67,891	66,210	89,858

Sending MS	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
SI	83,898	103,303	126,902	164,226	190,976	127,059	146,157	156,871	168,126	171,865	176,365
SK	56,442	89,494	98,383	112,028	112,978	135,151	127,706	108,244	106,212	122,494	131,879
FI	6,892	6,940	9,369	8,155	8,061	9,882	10,328	8,628	9,232	11,916	28,917
SE	11,664	10,951	12,502	11,456	10,710	10,593	13,614	10,096	7,616	9,244	9,677
IS	277	245	283	239	293	245	288	214	216	295	382
LI	548	646	1,239	1,343	1,024	1,024	1,928	1,936	3,104	1,053	908
NO	n.a.	3,252	3,887	4,134	4,097	4,357	4,614	2,553	3,347	5,792	5,226
CH	19,077	20,649	21,305	23,887	31,291	28,642	72,237	45,074	78,163	137,489	257,742
UK	41,049	33,092	44,332	49,210	49,496	49,225	58,274	37,402	28,453	37,296	31,437
Total	**1,741,494**	**1,919,986**	**2,049,192**	**2,271,581**	**2,803,279**	**2,968,487**	**4,649,742**	**3,762,860**	**3,646,509**	**4,642,024**	**5,542,153**
Yearly % change		**10.2%**	**6.7%**	**10.9%**	**23.4%**	**5.9%**	**56.6%**	**-19.1%**	**-3.1%**	**27.3%**	**19.9%**

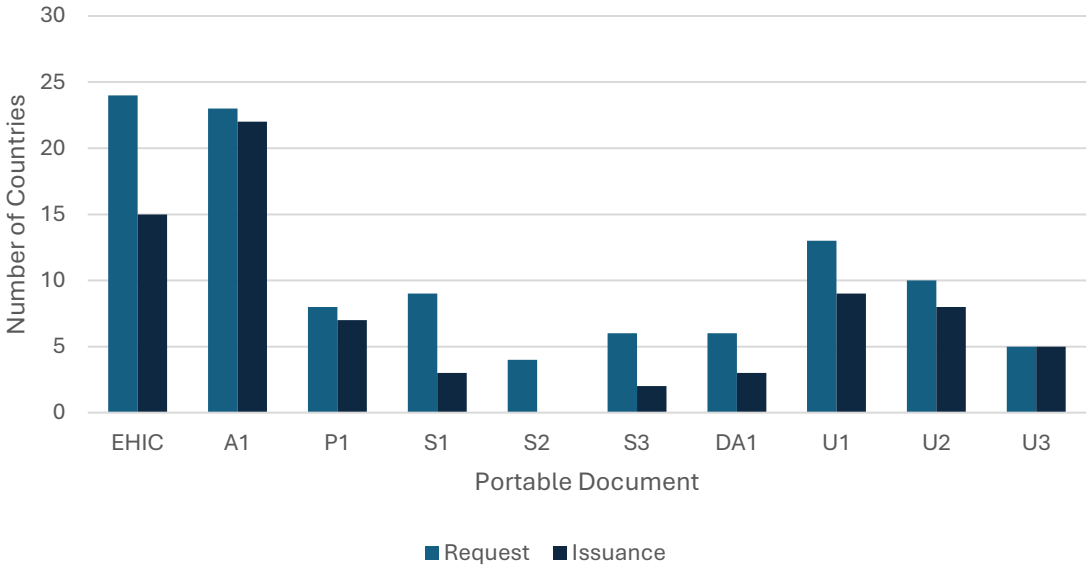
Source: Portable Documents Statistical database, 2025

Table 3. Number of Portable documents received per year

EU	2015	2016	2017	2018	2019	2020	2021	2022	2023
PD A1 - EU (only Art 12)	1,269,951	1,379,339	1,481,663	1,550,740	2,773,734	2,129,020	1,923,086	2,507,071	2,966,160
PD U1 - EU	12,992	13,526	17,035	20,044	24,377	25,830	17,605	19,117	20,340
PD U2 - EU	17,142	18,355	22,066	21,276	24,581	21,233	20,174	20,749	24,300
PD S2 - EU	33,415	41,241	45,949	47,632	52,849	37,768	38,318	41,034	41,830
PD S1 - EU	461,265	465,325	512,257	358,361	483,355	473,975	549,968	563,037	532,498

Source: Portable documents Statistical database, 2025

Table 4. Online request and electronic issuance of the portable documents and the EHIC



Source: Study on digitalisation in social security coordination, based on the ELA Report on overview and analysis of Member States' cross-border digital tools and services in the field of social security coordination, eGovernment Benchmark 2025 for the EHIC issuance

Table 5. Online request and electronic issuance of the portable documents and the EHIC across Member States

	EHIC		A1		P1		S1		S2		S3		DA1		U1		U2		U3	
	Online request	Electronic replacement certificate	Online request	Electronic output	Online request	Electronic output	Online request	Electronic output	Online request	Electronic output	Online request	Electronic output	Online request	Electronic output	Online request	Electronic output	Online request	Electronic output	Online request	Electronic output
Austria	Yes	Yes	Yes	Yes	-	-	Yes	Yes	-	-	Yes	Yes	-	-	-	-	-	-	-	-
Belgium	Yes	No	Yes	Yes	Yes	Yes	No	No	No	No	No	No	Yes	No	Yes	Yes	Yes	Yes	No	No
Bulgaria	Yes	No	Yes	No	No	No	Yes	No	No	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes
Croatia	Yes	No	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Czechia	Yes	No	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Cyprus	No	No	No	No	-	-	-	-	-	-	-	-	No	No	No	No	No	No	No	No
Denmark	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Estonia	Yes	No	Yes	Yes	No	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Finland	Yes	No	Yes	Yes	No	No	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	No	No
France	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	Yes	Yes	No	No	No	No
Germany	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	Yes	No	No	No	No	No

	EHIC		A1		P1		S1		S2		S3		DA1		U1		U2		U3	
Greece	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Hungary	Yes	Yes	Yes	Yes	Yes	Yes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Ireland	Yes	No	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Italy	No	No	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	Yes	No	No	No	No	No	No
Latvia	Yes	No	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	Yes	No	Yes	No	No	No
Lithuania	Yes	Yes	Yes	Yes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Luxembourg	Yes	Yes	No	No	No	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	Yes	Yes	Yes	No	No
Malta	No	No	Yes	Yes	No	No	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	No	No
Netherlands	Yes	No	Yes	Yes	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	No	No	No	No
Poland	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes
Portugal	Yes	No	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	Yes
Romania	Yes	Yes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Slovakia	Yes	Yes	Yes	Yes	No	No	Yes	Yes	No	No	No	No	No	No	No	No	No	No	No	No
Slovenia	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No	No	Yes	No	Yes	No	Yes	No
Spain	Yes	Yes	Yes	Yes	No	No	Yes	No	No	No	No	No	No	No	No	No	No	No	No	No

	EHIC		A1		P1		S1		S2		S3		DA1		U1		U2		U3	
Sweden	Yes	No	Yes	Yes	No	No	Yes	No	Yes	No	No	No	No	No	No	No	No	No	No	No
Total Yes	24	13	23	22	8	7	9	3	4	0	6	2	6	3	13	9	10	8	5	5
Total No	3	14	3	4	15	16	14	20	18	22	17	21	17	20	10	14	13	15	18	18
Total N/a	0	0	1	1	4	4	4	4	5	5	4	4	4	4	4	4	4	4	4	4

Source: ELA (2025), National cross-border digital tools and services in the field of EU social security coordination. Available here: https://www.ela.europa.eu/sites/default/files/2025-08/2024.12031_social_security_report.pdf

ANNEX 8: EXAMPLES OF STAKEHOLDERS' CHALLENGES

ACTOR		PAIN POINTS	RELEVANT PROCEDURES
 ***TRAVELLER***	*I need to carry my plastic EHIC with me all the time… and what if I lose it?*	**Pre-departure – having an EHIC** • Looking for my EHIC and checking if it is still valid. **Pre-departure – EHIC request and waiting time** • Several days before going abroad, I need to apply for an EHIC and wait for it to arrive by post. This could interfere with my travel plans, especially if the card does not arrive on time, or I simply forget to request it. • If the EHIC does not arrive before my trip, I need to know that I have to ask for a Provisional Replacement Certificate (PRC) and remember to do it. **During my stay – risk of losing or forgetting the EHIC and proving insurance during medical urgency** • I might lose my EHIC card or leave it at the hotel when I need it for medical urgency. • If I lose my EHIC card, I will need a PRC, which may take time to arrange. **During my stay – EHIC non-acceptance by healthcare providers (HCPs)** • In case an HCP does not accept my valid EHIC, I am forced to pay for treatment upfront, even if locals would receive the same care without immediate payment. **After my treatment – reimbursement** • After receiving the treatment, I need to request reimbursement from my home country, which can involve several interactions and lengthy waiting times.	EHIC

ACTOR		PAIN POINTS	RELEVANT PROCEDURES
 ***HEALTHCARE PROVIDER***	*'Currently we have no way to verify if an EHIC card is genuine without calling the issuing country - which we never do in emergencies'* *'Manual data entry from physical cards creates errors in 15-20% of cases, leading to reimbursement delays that can take months to resolve*[274]*.*	**Reading the EHIC** • Reading data on the EHIC can be challenging because not all Member States comply with the specifications. **Insurance verification issues** • The EHIC only shows the expiration date, leaving the "valid from" date inaccessible. • There is no easy way to confirm if the person is still insured in the issuing country (the card cannot be revoked), which increases the risk of misuse. **Possible misuse of the EHIC** • If the person lost their insurance coverage, this will only be noticed during the reimbursement process after treatment has been provided. • Verifying the integrity of the document is difficult as there is not direct communication with the issuing institution, making it impossible to immediately confirm if the document is forged. • In cases of doubt, I have to contact patient's insurance country or the social security institutions in my country, who will then liaise with the competent institution in the insurance country. **Reimbursement process complications** • Patients sometimes fail to present both the EHIC and an ID document which may complicate the reimbursement process. • Patient data must be entered manually in the back-office system, which is time-consuming and prone to errors. • I must make a copy of the plastic card and, in some countries, send it to the competent institution to initiate the reimbursement process. This is done via post in some countries. • Delays in reimbursement can occur in case of disputes.	EHIC

[274] Grech, A. and Farkas, K.G. (2026). Beyond DC4EU. Advancing European Digital Identity through Trust Frameworks, Education and Social Security Pilots. 3CL Foundation. www.dc4eu.eu/reports

ACTOR		PAIN POINTS	RELEVANT PROCEDURES
 ***NATIONAL AUTHORITY***	*Communicating with healthcare provider in other countries is complicated*	**Manual processing and printing of the EHIC** • The process of manually printing and posting EHIC generates costs, including material for card production, post fees, administrative labour, system maintenance and environmental impact. **Reimbursement process challenges** • The lack of real-time data can lead to delays and errors in verifying insurance status and entitlement to benefits, complicating the reimbursement process and potentially causing financial discrepancy. • There are cases where EHIC are used inappropriately by individuals who are no longer insured or covered by the issuing country. In such cases, we are held accountable for the incurred costs. This may result in financial loss and increased administrative difficulties. **Communication delays between countries** • There is not direct communication between systems used in the different countries by bodies such as healthcare providers and social security institutions. This leads to slower response times in addressing issues, as information exchange is not streamlined efficiently.	EHIC

ACTOR		PAIN POINTS	RELEVANT PROCEDURES
 ***LABOUR INSPECTOR***	*I cannot verify if the portable document has been issued by the competent institution or withdrawn.*	**Verification issues** • There is no consistent procedure for labour inspectors to verify whether a portable document A1 has been issued by the competent institution and whether it remains valid or has been revoked. • Without efficient verification tools, distinguishing between genuine and forged documents is challenging. This increases the risk of fraudulent claims and complicates administrative processes. **Lack of adequate information** • It is difficult to check all posted workers because the Member State does not maintain accurate data on the number of people posted by each employer. • Discrepancy between what a company declares, and the real posting can lead to failed inspections. **Reliance on external information sources** • I depend on information and data from other institutions, such as the competent social security institution, and may not have direct access to relevant systems. This can lead to delays and inefficiencies in obtaining accurate information to conduct thorough inspections. • I do not have straightforward way to check what the company has declared concerning salary and time and the official conditions.	A1

ACTOR		PAIN POINTS	RELEVANT PROCEDURES
 ***EMPLOYER SENDING EMPLOYEES TO WORK TEMPORARILY ABROAD***	*Our company has a big overview file with the different documents and information required for each country.*	**Preparation** • Companies are allocating time and personnel to handle the complex paperwork. Many data are required, and often information needs to be submitted several times to different countries. • Features like data pre-filling, real-time status tracking, and bulk request options are missing in many countries. • Navigating tax obligations, labour laws, and social security systems across different countries requires specialised expertise. • Companies are confronted with various procedures and different information requirements across countries. They need to pay consultants to deal with all the different requirements including obtaining the A1 form. • In some countries, there are substantial delays in obtaining the portable document A1, potentially preventing employees from commencing work in some countries. **During the assignment – Impact of labour inspections and checks on portable document A1** • During inspections, if there are doubts about A1 form validity, workers' duties might be interrupted, adding indirect financial pressures. • In some countries, companies can be fined if employees do not have the portable document A1 with them.	A1
 ***POSTED WORKER***	*I have no possibility to check what my company has declared for my work.*	• It is difficult for me to find reliable information on my social security rights before and during the posting, which leaves me feeling unprotected and poorly informed. • I often do not know which country's system covers me or where I should claim benefits, which creates significant uncertainty and anxiety. I do not know whether I can go to a doctor locally and still be covered. • I depend entirely on my employer to obtain the relevant information, and I often do not receive portable document A1, which creates further problems as I have no control over the information provided or the process itself. • Delays or errors in issuing the portable document A1 can further complicate matters, leaving me unsure about my insurance coverage and making it difficult to relocate, secure housing, and arrange travel with confidence. • When registering for healthcare in the host country, I have been asked to provide a portable document A1, but I was not certain whether my employer had requested one. • This has led to situations where I encountered problems accessing medical treatment or proving my entitlement to healthcare because the necessary documents were not available. • I do not always have easy access to my own portable document when I need to show it on site, and I fear losing income if I am blocked from entering the worksite because I cannot show or doubts exists on the validity of the portable document A1.	A1 S1

ACTOR	PAIN POINTS	RELEVANT PROCEDURES
	• I may have to provide the same information several times to different authorities.	

ANNEX 9: THE SIZE OF THE PROBLEM AND ITS CONSEQUENCES

This Annex presents the detailed calculations, data sources and assumptions for the analysis of the problem, its consequences and the **baseline scenario**[275].

Time and costs losses in verifying portable documents and the European Health Insurance Card (EHIC)

In 2023, approximately 3.5 million verification checks were conducted for portable documents and the EHIC. Estimates for the portable document A1 rely on inspection frequencies (averaging 3-5 document for check), while EHIC figures reflect reimbursements claims. Checks for other portable documents are based on volume received by Member States. Summary data are provided below:

Table 1. Estimated number of verification checks on portable documents and the EHIC in 2023

EHIC	Portable document A1	Portable document U1	Portable document U2	Portable document S1	Portable document S2
2 000 000	520 000 min 870 000 max	20 300	24 300	532 500	41 800

Checks of portable document A1

Official data on the number of portable document A1 verified by national authorities during inspections are not available. Targeted interviews as part of the study on digitalisation in social security coordination did not yield additional data[276].

Information on the number of inspections related to the enforcement of posting rules are available for 8 Member States[277]. While the number of inspections related to enforcement of posting rules does not directly equate to the number of portable document A1 checks, it can be used as a proxy indicator, as it can be reasonably be assumed that these inspections also cover A1 forms[278] verifications. As the reporting Member States include both small

[275] Study on digitalisation in social security coordination.
[276] Interviews with Spain, Belgium, Germany, Italy and Romania covered this specific topic as well. Spanish inspectors reported that they conduct annually, around 1,000 inspections related to posted workers. Authorities in Germany, Italy and Romania confirmed that they do not collect data on the number of checks.
[277] Enhancing the Collection and Reporting of Inspection Statistics on the Enforcement of the Posting Rules, 2024.
[278] See the Report on portable documents A1 issued in 2023. Portable documents A1 issued in the context of posting account for about two thirds of the overall portable documents A1 issued in 2023 (3.4 million out of 5.4 million issued across EU countries in 2023).

and large countries as well as some of the main receivers of portable document A1, these data can be considered as a good basis to estimate values for the EU overall[279].

Table 2. Number of inspectors and inspections focused on the enforcement of the posting rules, 2023

	Inspectors			Inspections		
Member State	Inspectors on the enforcement of the posting rules	Inspectors of the enforcement body	Share in total	Inspections on the enforcement of the posting rule	Inspections of the enforcement body	Share in total
AT	/	441.7 FTEs	100%	3652	38,731	9.1%
BE	80.7	568 FTEs	14.2%	7759	110,140	12.9%
DE	/	9,200	/	/	42,631	/
ES	/	2,122	100%	892	1,188,080	0.09%
FR	103.5	1,575	6.6%	14,156	231,386	/
IT	/	4,768	100%	/	111,281	/
LT	23	47	48.9%	2,831	6,937	40.1%
LU	18	99	18.2%	13,029	17,328	75%
NL	19.2 FTEs	1,753 FTEs	/	107	/	/
PL	121 FTEs	2,638 FTEs	8%	28,173	61,000	0.6%
SI	/	97	100%	/	10,101	/
SK	21	/	/	/	/	/

/: Not available.

Source: Study on digitalisation in social security coordination based on 'Enhancing the Collection and Reporting of Inspection Statistics on the Enforcement of the Posting Rules, 2024'

Analysing data from eight Member States - Belgium, Spain, France, Lithuania, Luxembourg, Netherlands, Austria, and Poland - suggests that roughly 10% of Portable Documents A1 are subject to checks in each country. This estimate is based on the average proportion of checks relative to the number of portable documents A1 received in 2023. Initially, this proportion was calculated at 11.5%. To refine the estimate, the highest (Lithuania) and lowest (Netherlands) shares were excluded to address outliers, resulting in a more reliable 10% figure.

Table 3. Share of Portable document A1 received subject to checks

[279] Ibid, these 12 Member States together account for almost 2.3 million of the 2.9 million portable documents A1 received Member States for posted workers in 2023.

Member State	Inspections on the enforcement of the posting rule	Portable socument A1 received (2023)	Share of Portable document A1 received
AT	3652	333,096	1.1%
BE	7759	231,076	3.4%
ES	892	189,887	0.5%
FR	14,156	375,241	3.8%
LT	2,831	8,987	31.5%
LU	13,029	52,259	24.9%
NL	107	192,941	0.1%
PL	28,173	105,134	26.8%
Average			11.5%
Average (excluding highest and lowest value)			10.1%

Source: Study on digitalisation in social security coordination based on data from the report on Enhancing the Collection and Reporting of Inspection Statistics on the Enforcement of the Posting Rules, 2024 for the number of controls, and the report on Coordination of social security systems at a glance, 2024 for the number of portable document A1 received.

The 10% estimate can be applied to extrapolate data for the entire EU-27. For larger countries like Italy and Germany, the estimated share of 3.8% from France is used, given the similar scale of these nations. As the original 10% figure was influenced by estimates from smaller countries, such as Luxembourg, adopting France's percentage helps in deriving a more cautious estimate of the total number of checks.

The table below presents the estimated number of checks. Overall, in the EU-27, approximately 175,000 checks on postings are conducted annually, which likely include checks on portable document A1.

Interviews with inspectors from five countries suggest that during one inspection, several portable documents A1 are typically reviewed.

Table 4. Breakdown of the number of portable document A1 checked annually

Receiving Member State	A1 forms received (2023)	Number of controls	3 A1 forms checked	5 A1 forms checked
BE	231,076	**7,759***	23,277	38,795
BG	14,675	1,468**	4,403	7,338
CZ	78,977	7,898**	23,693	39,489

Receiving Member State	A1 forms received (2023)	Number of controls	3 A1 forms checked	5 A1 forms checked
DK	62,578	6,258**	18,773	31,289
DE	547,581	20,658***	61,973	103,288
EE	9,042	904**	2,713	4,521
IE	62,288	6,229**	18,686	31,144
EL	28,646	2,865**	8,594	14,323
ES	189,887	**892***	2,676	4,460
FR	375,241	**14,156***	42,468	70,780
HR	68,671	6,867**	20,601	34,336
IT	168,880	6,371***	19,113	31,855
CY	51,575	5,158**	15,473	25,788
LV	5,295	530**	1,589	2,648
LT	8,987	**2,784***	8,352	13,920
LU	52,259	**13,029***	39,087	65,145
HU	53,800	5,380**	16,140	26,900
MT	19,566	1,957**	5,870	9,783
NL	192,941	**107***	321	535
AT	333,096	**3,652***	10,956	18,260
PL	105,134	**28,173***	84,519	140,865
PT	73,354	7,335**	22,006	36,677
RO	46,791	4,679**	14,037	23,396
SI	34,979	3,498**	10,494	17,490
SK	34,098	3,410**	10,229	17,049
FI	38,912	3,891**	11,674	19,456
SE	77,831	7,783**	23,349	38,916
Total	**2,966,160**	**173,688**	**521,065**	**868,442**

*Notes: * Data available (see* table on number of inspections*); ** Based on the assumption that the share of checked portable documents A1 amounts to 10% of the documents received, based on available data points; *** Based on the assumption that the share of checked portable documents A1 amounts to about 3.8% of the portable documents A1 received. This estimate is used for Germany and Italy based on the estimate for France, given the size of these countries.*

Source: Study on digitalisation in social security coordination based on data from the report on Enhancing the Collection and Reporting of Inspection Statistics on the Enforcement of the Posting Rules, 2024 for the number of controls, and the report on Coordination of social security systems at a glance, 2024 for the number of portable documents A1 received.

Checks of the European health Insurance Card (EHIC)

The number of EHIC verifications depends on how often a patient receives unplanned, necessary medical treatment in a country other than their country of insurance. To estimate this number, using the actual number of issued EHICs is not suitable, as these documents are issued independently of their actual usage. Instead, forms E 125 and E 126, which are used for reimbursement processes requested by national authorities or the individuals themselves, can serve as effective proxies[280].

The tables below outline the number of E125 and E126 forms issued across the EU-27, with a breakdown by Member State. On average, Member States issue approximately 2.01 million E 125 forms and receive about 48,000 E 126 forms annually.

Table 5. Number of E 125 forms issued and E 126 forms received by all EU Member States across years

EU-27	2017	2018	2019	2020	2021	2022	2023	Avg
E125 issued	2,064,231	2,096,326	2,329,096	1,588,977	1,923,507	1,982,151	2,094,654	2,011,277
E126 received	55,028	59,033	56,135	40,894	34,255	46,420	45,699	48,209
Total	2,119,259	2,155,359	2,385,231	1,629,871	1,957,762	2,028,571	2,140,353	2,059,487

Source: Report on Cross-border healthcare in the EU under social security coordination, reference year 2023

The table below provides a breakdown of the E125 issued and E126 received by Member States for 2023. Due to gaps in data availability across years, the EU average as presented above is used for the calculations in this study.

Table 6. Number of E 125 issued and E 126 received in 2023 by Member State

MS	E125 issued	E126 received
BE	323,436	2,178
BG	9,320	870
CZ	62,969	1040
DK	15,056	228
DE	228,754	12,495

[280] Report on cross-border healthcare in the EU under social security coordination.

MS	E125 issued	E126 received
EE	5,540	151
IE	8,010	N/A
EL	74311	3492
ES	394,922	N/A
FR	55,513	1,115
HR	158,927	3,917
LV	3,891	206
LT	4,559	131
HU	16,112	<5
MT	5,784	40
NL	87,520	N/A
AT	211,471	13,243
PL	208,108	331
PT	139,099	2,508
RO	3,377	2,112
SI	15,151	365
SK	25,982	608
FI	7,633	667
SE	29,209	N/A
EU-27	2,094,654	45,699

Notes: Data for IT, CY, and LU missing for both the number of E125 issued and E126 received. Data on the number of E126 received missing for IE, ES, NL, and SE.

Source: Report on Cross-border healthcare in the EU under social security coordination, reference year 2023

Checks of other portable documents

The number of checks performed on the other portable documents is assumed to be equal to the number of documents that Member States have received in 2023. Portable documents U3 (‘Circumstances likely to affect the entitlement to unemployment benefits) and P1 (‘Summary of pension decisions’) are not included, as usually no verification is conducted.

Table 7. Estimated number of verification checks on other portable documents

Portable document U1	Portable document U2	Portable document S1	Portable document S2
20,300	24,300	532,500	41,800

Notes: Study on digitalisation in social security coordination based on statistical reports on social security coordination

Time and cost losses – portable document A1

Verifying a portable document A1 involves identity checks and visual inspections. In some cases, back-office cross-referencing is also required. In the absence of a unified solution, some EU countries have developed their own approaches, leading to considerable variations. Two main approaches were identified:

- Enhanced manual verification - inspectors manually perform the verification but have access to a national database containing all incoming A1 forms, like in Belgium and Germany[281]. While this allows for cross-referencing, it relies on all countries properly notifying postings and ensuring that withdrawn documents are removed from the databases.

- Standard manual verification - inspectors conduct manual verification of portable documents A1. If they need to confirm validity, they contact authorities in the home country. This is typically done through the Internal Market Information (IMI) System, or via the relevant institution in their country, which uses the Electronic Exchange of Social Security Information (EESSI) to reach the home country. This method is assumed to be the standard approach across EU Member States, except for Germany and Belgium.

Manual processes typically take 8 to 16 minutes, while enhanced checks via national repositories, in some countries like Belgium and Germany, can reduce this to 5 to 10 minutes[282].

[281] DC4EU Business Blueprint https://dm158x9fyyzgp.cloudfront.net/wp-content/uploads/2024/06/DC4EU_D6.1_Business_Blueprint_V2.1.pdf. 11 Member States (Austria, Belgium, Germany, Denmark, Finland, France, Italy, Lithuania, Latvia, the Netherlands, and Portugal) out of 18 respondents reported having a central repository for incoming A1 forms in place. However, only social security inspectors in Germany and Belgium seem to have access to these national databases.

[282] Study on digitalisation in social security coordination. These estimates are based on a limited number of interviews with relevant stakeholders in Belgium, Germany, Italy, Spain, and Romania and should be considered indicative only. Actual durations may vary significantly due to a range of factors, including tooling (e.g., AI-assisted vs. manual processes), staff training and experience, case complexity, and system performance issues (such as network speed and database latency).

Table 8. Estimated time for identity verification, visual inspection, documentation, and back-office cross-referencing for portable document A1

Activity	Enhanced manual checks	Manual checks	Explanations
Access to the national repository	Yes	No	
Identity verification	1m	1m	Usually based on an identity card or a passport
(Visual) inspection	1-3m	1-3m	Fast manual check (glancing at personal data, dates, issuer stamp): ~1m Thorough manual check (carefully comparing fields, examining multiple features): up to ~3m
Documentation	1-2m	1-2m	Data entry into the system of the inspectors
Back-office cross-referencing	2-4m	5m-10m	Estimates only for processing time, no waiting time is included, as this may vary considerably.
Countries concerned	BE, DE	All other EU countries	
Total	~5m-10m	~8m-16m	

Source: study on digitalisation in social security coordination

Combining data on the number of checks performed with these time estimates suggests that inspectors spent between 65,200 and 217,400 hours each year on verification checks across the EU-27. The details by Member State are presented in the table below.

Table 9. Calculation of time spent on controls of the Portable document (PD) A1

MS	Number of PDs checked [a]		Time needed (min per PD)[b]		Total time spent (hours)[c]			
	LB (3PDs)	*UB (5PDs)*	*LB*	*UB*	*LB (3PDs)*	*LB (5PDs)*	*UB (3PDs)*	*UB (5PDs)*
BE	23,277	38,795	5	10	1,940	3,233	3,880	6,466
BG	4,403	7,338	8	16	587	978	1,174	1,957
CZ	23,693	39,489	8	16	3,159	5,265	6,318	10,530
DK	18,773	31,289	8	16	2,503	4,172	5,006	8,344
DE	61,973	103,288	5	10	5,164	8,607	10,329	17,215
EE	2,713	4,521	8	16	362	603	723	1,206

MS	Number of PDs checked [a]		Time needed (min per PD)[b]		Total time spent (hours)[c]			
IE	18,686	31,144	8	16	2,491	4,153	4,983	8,305
EL	8,594	14,323	8	16	1,146	1,910	2,292	3,819
ES	2,676	4,460	8	16	357	595	714	1,189
FR	42,468	70,780	8	16	5,662	9,437	11,325	18,875
HR	20,601	34,336	8	16	2,747	4,578	5,494	9,156
IT	19,113	31,855	8	16	2,548	4,247	5,097	8,495
CY	15,473	25,788	8	16	2,063	3,438	4,126	6,877
LV	1,589	2,648	8	16	212	353	424	706
LT	8,352	13,920	8	16	1,114	1,856	2,227	3,712
LU	39,087	65,145	8	16	5,212	8,686	10,423	17,372
HU	16,140	26,900	8	16	2,152	3,587	4,304	7,173
MT	5,870	9,783	8	16	783	1,304	1,565	2,609
NL	321	535	8	16	43	71	86	143
AT	10,956	18,260	8	16	1,461	2,435	2,922	4,869
PL	84,519	140,865	8	16	11,269	18,782	22,538	37,564
PT	22,006	36,677	8	16	2,934	4,890	5,868	9,781
RO	14,037	23,396	8	16	1,872	3,119	3,743	6,239
SI	10,494	17,490	8	16	1,399	2,332	2,798	4,664
SK	10,229	17,049	8	16	1,364	2,273	2,728	4,546
FI	11,674	19,456	8	16	1,557	2,594	3,113	5,188
SE	23,349	38,916	8	16	3,113	5,189	6,226	10,378
Total	**521,066**	**868,446**			**65,213**	**108,689**	**130,426**	**217,377**

*Notes: [a] The total number of PDs checked depends on the assumption about the PDs checked per control (see Table 4Table). [b] Time needed in minutes per PD. [c] Total time spent number of PDs checked * time needed per check, expressed in hours. LB: Lower bound; UB: Upper bound*

Integrating these time estimates with the figures on controls performed enables the estimation of the EU-wide time efforts on checks of portable documents A1 annually across the EU. Applying average labour cost data[283] allow the conversion of these efforts

[283] ISCO code 4 'clerk': EUR 26.30

into monetary values. Consequently, the estimated annual public cost ranges from 1.4 million to 4.7 million euro, depending on the frequency of checks (see table below)[284].

Table 10. Annual costs for inspectors for verification checks on the PD A1

MS	Total time spent (hours)				Labour costs (EUR)	Costs			
	LB (3PDs)	*LB (5PDs)*	*UB (3PDs)*	*UB (5PDs)*	*ISCOCode4*	*LB (3PDs)*	*LB (5PDs)*	*UB (3PDs)*	*UB (5PDs)*
BE	1,940	3,233	3,880	6,466	37.30	72,353	120,588	144,705	241,176
BG	587	978	1,174	1,957	6.20	3,640	6,066	7,280	12,132
CZ	3,159	5,265	6,318	10,530	13.40	42,331	70,554	84,663	141,107
DK	2,503	4,172	5,006	8,344	41.90	104,878	174,801	209,757	349,602
DE	5,164	8,607	10,329	17,215	32.60	168,360	280,599	336,720	561,198
EE	362	603	723	1,206	15.40	5,571	9,283	11,141	18,566
IE	2,491	4,153	4,983	8,305	33.80	84,212	140,356	168,423	280,711
EL	1,146	1,910	2,292	3,819	14.50	16,615	27,691	33,230	55,382
ES	357	595	714	1,189	19.70	7,029	11,715	14,058	23,430
FR	5,662	9,437	11,325	18,875	26.20	148,355	247,258	296,710	494,516
HR	2,747	4,578	5,494	9,156	11.20	30,764	51,275	61,528	102,550
IT	2,548	4,247	5,097	8,495	24.70	62,945	104,909	125,891	209,818
CY	2,063	3,438	4,126	6,877	14.70	30,327	50,544	60,654	101,089
LV	212	353	424	706	12.20	2,585	4,307	5,170	8,615
LT	1,114	1,856	2,227	3,712	12.00	13,363	22,272	26,726	44,544
LU	5,212	8,686	10,423	17,372	36.30	189,181	315,302	378,362	630,604
HU	2,152	3,587	4,304	7,173	9.40	20,229	33,715	40,458	67,429
MT	783	1,304	1,565	2,609	14.80	11,583	19,305	23,167	38,610
NL	43	71	86	143	31.00	1,327	2,211	2,654	4,423
AT	1,461	2,435	2,922	4,869	31.40	45,869	76,449	91,738	152,897
PL	11,269	18,782	22,538	37,564	9.90	111,565	185,942	223,130	371,884
PT	2,934	4,890	5,868	9,781	10.90	31,982	53,304	63,964	106,608

[284] The estimate of the EU-wide time efforts on checks of PD A1 across the EU per year was done, combining the time estimates with the estimates on controls performed

MS	Total time spent (hours)				Labour costs (EUR)	Costs			
RO	1,872	3,119	3,743	6,239	7.60	14,224	23,708	28,448	47,416
SI	1,399	2,332	2,798	4,664	16.00	22,387	37,312	44,774	74,624
SK	1,364	2,273	2,728	4,546	13.10	17,867	29,779	35,733	59,558
FI	1,557	2,594	3,113	5,188	27.40	42,649	71,079	85,298	142,159
SE	3,113	5,189	6,226	10,378	32.80	102,113	170,193	204,226	340,385
Total	**65,213**	**108,689**	**130,426**	**217,377**	**26.30**	**1,404,305**	**2,340,517**	**2,808,609**	**4,681,034**

Notes: total time spent as derived in Table. Costs are derived as the product of the time spent and the labour costs, relying on country-specific costs according to ISCO code 4 'clerk'. LB: Lower bound; UB: Upper bound

A summary table is provided below.

Table 11. Estimated time and resources spent on checks of the Portable document A1 across the EU-27 per year by public authorities

Scenarios	Number of checks per year [a]		Time spent on checks per year [b]	Costs per year [c]
3 portable documents A1 checked per control	520 000	Min	65 000 hrs	EUR 1 400 000
		Max	130 400 hrs	EUR 2 800 000
5 portable documents A1 checked per control	870 000	Min	108 700 hrs	EUR 2 200 000
		Max	217 400 hrs	EUR 4 700 000

Notes: [a] Derived by multiplying the number of controls with the assumed number of Portable document A1 checked per control (3 or 5). Central estimates, no minimum and maximum available; [b] Derived by multiplying the total number of checks per year with the minimum and maximum time needed per check, expressed in hours; [c] Derived as the product of the time spent and the labour costs, relying on country-specific costs according to ISCO code 4 'clerk' EUR 26.30, last updated in 2025 (see Table 10).

Source: Study on digitalisation in social security coordination

Verification processes are complicated when doubts arise on the validity of documents, requiring contact with issuing authorities and often resulting in waiting times to receive a reply. **Monetisation of these waiting times proved complex due to variability across Member States. Stakeholders interviewed suggested that these could range from hours to months[285].**

[285] Study on digitalisation in social security coordination.

The time workers stop their activities during the controls results in **losses for businesses in the form of labour costs**. The table below provides the country-level estimates of the labour costs businesses incur during controls. For the calculation, the ISCO code for manual workers (7 to 9) is used, given that many controls appear to take place in sectors including transport, construction, and agriculture, as the interviews with Spanish, Belgian, and German inspectors suggested[286].

This results in €1.2 million to €4.1 million in annual indirect costs.

Table 12. Annual costs for businesses for verification checks on the PD A1

MS	Total time spent (hours)				Labour costs (EUR)	Costs			
	LB (3PDs)	*LB (5PDs)*	*UB (3PDs)*	*UB (5PDs)*	*ISCO Code 7 - 9*	*LB (3PDs)*	*LB (5PDs)*	*UB (3PDs)*	*UB (5PDs)*
BE	1,940	3,233	3,880	6,466	31.80	61,684	102,807	123,368	205,614
BG	587	978	1,174	1,957	5.40	3,170	5,283	6,340	10,567
CZ	3,159	5,265	6,318	10,530	12.40	39,172	65,288	78,345	130,577
DK	2,503	4,172	5,006	8,344	40.90	102,375	170,629	204,751	341,259
DE	5,164	8,607	10,329	17,215	28.00	144,604	241,005	289,207	482,011
EE	362	603	723	1,206	13.90	5,028	8,379	10,056	16,758
IE	2,491	4,153	4,983	8,305	27.50	68,515	114,195	137,031	228,389
EL	1,146	1,910	2,292	3,819	12.30	14,094	23,490	28,188	46,979
ES	357	595	714	1,189	17.60	6,280	10,466	12,559	20,932
FR	5,662	9,437	11,325	18,875	26.00	147,222	245,371	294,445	490,741
HR	2,747	4,578	5,494	9,156	8.70	23,897	39,830	47,794	79,660
IT	2,548	4,247	5,097	8,495	20.50	52,242	87,070	104,484	174,141
CY	2,063	3,438	4,126	6,877	12.70	26,201	43,668	52,402	87,335
LV	212	353	424	706	10.70	2,267	3,778	4,534	7,556
LT	1,114	1,856	2,227	3,712	10.50	11,693	19,488	23,386	38,976
LU	5,212	8,686	10,423	17,372	27.40	142,798	237,996	285,596	475,993
HU	2,152	3,587	4,304	7,173	7.60	16,355	27,259	32,710	54,517
MT	783	1,304	1,565	2,609	11.40	8,922	14,870	17,845	29,740
NL	43	71	86	143	24.90	1,066	1,776	2,131	3,552

[286] Ibid.

MS	Total time spent (hours)				Labour costs (EUR)	Costs			
AT	1,461	2,435	2,922	4,869	27.30	39,880	66,466	79,760	132,933
PL	11,269	18,782	22,538	37,564	9.50	107,057	178,429	214,115	356,858
PT	2,934	4,890	5,868	9,781	9.00	26,407	44,012	52,814	88,025
RO	1,872	3,119	3,743	6,239	6.60	12,353	20,588	24,705	41,177
SI	1,399	2,332	2,798	4,664	13.90	19,449	32,415	38,898	64,830
SK	1,364	2,273	2,728	4,546	12.40	16,912	28,188	33,824	56,375
FI	1,557	2,594	3,113	5,188	26.60	41,404	69,004	82,808	138,008
SE	3,113	5,189	6,226	10,378	33.10	103,047	171,749	206,094	343,499
Total	65,213	108,689	130,426	217,377	21.30	1,244,095	2,073,500	2,488,190	4,147,001

Notes: total time spent as derived in Table. Costs are derived as the product of the time spent and the labour costs, relying on country-specific costs according to ISCO code for manual workers (7 to 9). LB: Lower bound; UB: Upper bound

A summary table is provided below.

Table 13. Annual costs for businesses for verification checks on the PD A1

Scenarios	Number of checks per year [a]		Time spent on checks per year [b]	Costs per year [c]
3 PDs checked per control	520 000	Min	65 000 hrs	EUR 1 200 000
		Max	130 400 hrs	EUR 2 100 000
5 PDs checked per control	870 000	Min	108 700 hrs	EUR 2 500 000
		Max	217 400 hrs	EUR 4 100 000

Notes: [a] Derived by multiplying the number of controls with the assumed number of PD A1 checked per control (3 or 5). Central estimates, no minimum and maximum available; [b] Derived by multiplying the total number of checks per year with the minimum and maximum time needed per check, expressed in hours; [c] Derived by multiplying the average hourly labour cost with the total number of hours spent on controls. Average hourly labour cost used is ISCO code for manual workers (7 to 9)

Time and cost losses – EHIC

EHIC checks take 2 to 5 minutes[287]. Combining the estimated number of checks with the estimated time spent suggests that healthcare providers spend between 70,000 and 165,000

[287] This was estimated based on discussions during the stakeholder workshop in June 2025, as well as an interview with a healthcare provider from Slovakia.

hours per year on EHIC checks. Using Eurostat data on average hourly labour costs for human health and social work activities[288] of 32.6 euro in 2023, this translates to an annual range of approximately 2.3 million to 5.6 million euro (see table below).

Table 14. Estimated time and costs spent by healthcare providers on checks and transposition of information on the EHIC per year across the EU-27

Estimate	Lower bound	Higher bound
Time per check	2 min	5 min
Number of checks*	2,060,000	2,060,000
Total time (hrs)	68,650	171,624
EUR	2,238,000	5,595,000

*Notes: * Average for the EU-27 between 2017 and 2023. Total costs are derived using the average hourly labour costs for human health and social work activities of EUR 32.6 from Eurostat [lc_lci_lev].*

Source: Study on digitalisation in social security coordination

The table below provides an illustrative breakdown of the costs for 2023 by Member State. As noted, since data availability varies across countries and years, the analysis relies on the average number of checks presented above as a basis for the calculations.

Table 15. Annual verification check costs for healthcare providers by country in 2023

MS	Number of checks	Time spent - LB (min)	Time spent - UB (min)	Labour costs (EUR)	Costs - LB (EUR)	Costs - UB (EUR)
BE	325,614	2	5	38.40	416,786	1,041,965
BG	10,190	2	5	9.20	3,125	7,812
CZ	64,009	2	5	19.40	41,392	103,481
DK	15,284	2	5	42.40	21,601	54,003
DE	241,249	2	5	38.00	305,582	763,955
EE	5,691	2	5	20.10	3,813	9,532
IE	8,010	2	5	39.00	10,413	26,033
EL	77,803	2	5	11.20	29,046	72,616
ES	394,922	2	5	27.20	358,063	895,157
FR	56,628	2	5	38.40	72,484	181,210
HR	162,844	2	5	15.50	84,136	210,340

[288] Eurostat [lc_lci_lev], https://ec.europa.eu/eurostat/databrowser/view/LC_LCI_LEV__custom_16707768/default/table?lang=en.

MS	Number of checks	Time spent - LB (min)	Time spent - UB (min)	Labour costs (EUR)	Costs - LB (EUR)	Costs - UB (EUR)
LV	4,097	2	5	14.70	2,008	5,019
LT	4,690	2	5	16.10	2,517	6,292
HU	16,114	2	5	11.00	5,908	14,771
MT	5,824	2	5	22.10	4,290	10,726
NL	87,520	2	5	45.60	133,030	332,576
AT	224,714	2	5	41.00	307,109	767,773
PL	208,439	2	5	15.10	104,914	262,286
PT	141,607	2	5	16.50	77,884	194,710
RO	5,489	2	5	12.20	2,232	5,580
SI	15,516	2	5	23.40	12,102	30,256
SK	26,590	2	5	18.90	16,752	41,879
FI	8,300	2	5	33.10	9,158	22,894
SE	29,209	2	5	35.80	34,856	87,140
Total	**2,140,353**	**2**	**5**		**2,059,203**	**5,148,007**

Notes: 2023 data. Data for IT, CY, and LU are missing. Costs are derived by the total amount of time spent on checks (both for lower and upper bound) and the country specific hourly labour costs for human health and social work activities of EUR 32.6 from Eurostat [lc_lci_lev].

Source: Study team based on the Report on Cross-border healthcare in the EU under social security coordination, reference year 2023

Time and cost losses – Other portable documents

Verification for the other portable documents typically takes up to 5 minutes[289], with total annual costs estimated at 1.36 million euro.

Table 16. Estimated costs of checks performed for other Portable documents

Document	Number of checks performed (2023)	Time needed per check	Total time spent (hrs)	Total costs (EUR)
Portable document S1	532 500	5 min	44 375	1167 000

[289] This is based on the information provided by a representative of Malta to the Administrative Commission. However, this estimate is indicative as other replies from the Belgian authorities during an interview suggest that for instance checks on the Portable documents U1 and U2 can take up to 30 minutes in total, including the time needed for a comparison of the document details with existing records.

Document	Number of checks performed (2023)	Time needed per check	Total time spent (hrs)	Total costs (EUR)
Portable document S2	41 800		3 483	92 000
Portable document U1	20 300		1 692	44 000
Portable document U2	24 300		2 025	53 000
		Total	**51 600**	**1 356 000**

Notes: The number of checks performed is assumed to be equal to the number of the portable documents received in the other Member State. The total time spent is derived by multiplying the number of checks performed with the central estimate for the time needed for the checks, expressed in hours. Total costs are derived by multiplying the total time spent with the average labour costs for ISCO code 4 'clerk': EUR 26.30.

Unexpected costs - upfront payments

Individuals across the EU-27 filed approximately 45,000 reimbursement claims[290], totalling 4.2 million euro (roughly 4% of all cross-border claims).

The report does not automatically equate all E126 claims with cases of refused or missing EHIC.

In particular, claims originating from systems where the standard practice is that patients pay upfront and are reimbursed afterwards, notably France and Belgium, are deducted, as these do not necessarily reflect problems with EHIC presentation or acceptance.

Furthermore, reimbursement claims that were rejected by the competent Member State are excluded, as these cases frequently relate to incomplete or missing entitlement information, expired EHICs, lack of insurance cover or other entitlement issues, rather than a refusal or absence of an EHIC at the point of care.

These adjustments reduce the number of relevant claims from more than 45,000 to approximately 42,000, with the corresponding value decreasing from around EUR 4.2 million to about EUR 3.4 million.

On this basis, the report considers the adjusted figure of 42,000 claims to be a reasonable proxy for the order of magnitude of cases where an EHIC was refused or not presented, while transparently acknowledging that it remains an approximation rather than a precise count.

Table 17. Number of E126 forms and their respective amount received in 2023, by Member State

[290] Number of E126 forms.

MS	Number of E126 forms received	Amount received (EUR)
BE	2,178	658,154
BG	870	646,950
CZ	1040	N/A
DK	228	N/A
DE	12,495	N/A
EE	151	118,459
EL	3492	128,004
FR	1,115	134,983
HR	3,917	N/A
LV	206	19,266
LT	131	107,588
HU	<5	1,200
MT	40	5,881
AT	13,243	1,599,121
PL	331	67,300
PT	2,508	435,315
RO	2,112	124,592
SI	365	N/A
SK	608	169,085
FI	667	N/A
EU-27	45,699	4,215,900

Notes: Data for IE, ES, IT, CY, NL, and SE missing. Data on the amount received missing for CZ, DK, DE, HR, SI, and FI, as specified in the table.

Source: Cross-border healthcare in the EU under social security coordination, reference year 2023[291]

Costs related to fraud – falsified portable documents

The reports on fraud and errors in social security coordination for the reference years 2023 and 2021 highlight that multiple countries have identified instances of falsified portable documents. A summary is presented in the table below. It is important to note that not all countries have provided data, and even those that have reported do not consistently provide information across different years.

[291] European Commission (2024): Cross-border healthcare in the EU under social security coordination, available here: https://employment-social-affairs.ec.europa.eu/document/download/eaa7dc40-2bee-4c7f-ada5-0ec326383ff0_en?filename=Cross-border%20healthcare%20-%20Reference%20year%202023.pdf.

Table 18. Identified cases of forged portable documents in recent years, by portable document and receiving country

Document concerned	Country	Reference year	Number of cases	Share of portable documents received
Portable document A1	Poland	2023	215	0.2%
		2021	155	0.1%
	Finland	2023	50	0.13%
	Czechia	2021	2	0.004%
	Latvia	2021	6	0.2%
Portable document S1	France	2023	1	0.001%
Portable document U1	France	2023	100	6.7%
	Bulgaria	2021	1	0.04%

Source: Reports on fraud and error in the field of EU social security coordination, reference years 2023 and 2021.

The data indicates that between 0.1% and 1% of received documents are potentially falsified.

This percentage is used to estimate the number of potential false portable documents: portable documents S1, S2, U1, U2.

For portable document A1, a central estimate is derived based on the most recent data from Poland, Finland, Czechia, and Latvia, arriving at 0.13%. This value is used to calculate the costs of false portable document A1 (see below).

Applying this rate across all examined documents suggests that annually, between 3,500 and 35,000 documents might be falsified, and about 2,000 to 20,000 EHICs. However, these figures might be higher due to variability in detection rates, influenced by the frequency of checks conducted.

Table 19. Estimated number of falsified portable documents and EHICs by type

Document	Number of documents received in 2023	Estimated number of falsified portable documents – 0.1%	Estimated number of falsified portable documents – 0.13%	Estimated number of falsified portable documents – 1%
Portable document A1	2,966,000	2,966	3928*	29,660

Document	Number of documents received in 2023	Estimated number of falsified portable documents – 0.1%	Estimated number of falsified portable documents – 0.13%	Estimated number of falsified portable documents – 1%
Portable document S1	532,000	532	---	5,320
Portable document S2	41,800	42	---	418
Portable document U1	20,300	20	---	203
Portable document U2	24,300	24	---	243
Total Portable documents		3,518	---	35,184
EHIC	2,060,000	2,060	---	20,600

*Notes: *0.13% applied to countries for which no data are available (all countries except CZ, LV, PL, and FI). The number of checks of documents is discussed in greater detail in the previous sections of the methodological annex.*

Source: Study on digitalisation in social security coordination

Cross-country data on the financial impact of these fraud cases are not available, and institutions interviewed as part of the study on digitalisation in social security coordination could not provide estimates. However, reference data from Italy suggests that the average cost per case of false portable document A1 in 2015 amounted at 1,892 euro[292]. Though costs may differ between EU countries due to various system designs, enforcement levels, and fraud rates, Italy's detailed methodology serves as a useful proxy.

Based on Italy's estimates, false portable document A1 cases could cost approximately 7.5 million euro annually (multiplying 3,928 cases by 1,892 euro per case).

Additionally, reimbursed EHIC treatment averages 500 euro per case, leading to total estimated costs of 1 million to 10 million euro annually when applying similar calculation logic.

The table below summarises the estimated annual impacts of the above-mentioned problem's consequences for the various stakeholders.

Table 20. Overview of the identified consequences, their magnitude, and stakeholders affected

[292] See: European Commission (2017): Fraud and error in the field of EU social security coordination.

Consequence	Stakeholder affected	Magnitude of the consequence
Time and cost losses during checks	Verifiers	1.4 million to 4.7 million euro (for portable document A1) 2.2 million to 5.6 million euro (for EHIC) 1.26 million euro (for other portable documents)
Time and cost losses during checks	Individuals	65 000 to 217 000 hours (for portable document A1) 68 700 to 171 600 hours (for EHIC) 51 600 hours (for other portable documents)
Labour costs during inspections	Businesses	1.2 million to 4.2 million euro (for portable document A1)
Unexpected costs – upfront payments	Individuals	42 000 cases (3.4 million euro)
Costs related to fraud – falsified documents	Social security institutions	0.1% to 1% of documents 3 500 to 35 000 cases (portable documents) 2 000 to 20 000 cases (EHIC)[293] 7.5 million euro (costs portable document A1) 1 to 10 million euro (costs EHIC)

BASELINE

In the baseline scenario, the challenges described above are expected to continue or increase in magnitude **over a 15-year period (2026-2040)**[294].

[294] Study on digitalisation in social security coordination.

Portable document A1 and EHIC issuance over a period 2026-2040 is estimated based on historical trends from the past decade, assuming continuity under similar conditions. A linear regression analysis was performed on the data from 2013 to 2023, excluding 2020 and 2021 due to pandemic disruptions. This approach transparently captures the structural trend in the data over time without relying on strong behavioural assumptions. The data observed do not display clear non-linear patterns or structural breaks, apart from the pandemic period and an unprecedented increase of portable documents A1 in 2019 that occurred in Germany (see Annex 4), making a linear specification appropriate and proportionate for long-term projection. Alternative methods, such as simple extrapolation or complex models, were considered but not retained due to their susceptibility to short-term fluctuations or requirement for longer stable data series. In particular, more complex time-series or non-linear models were also considered, but these would require longer and more stable historical series and additional assumptions about future dynamics, which could not be robustly justified given the limited number of observations.

The linear regression model fits a simple linear equation of the form:

$y=ax+b$

where:

y= projected value,

x= year,

a= slope (average annual rate of change), and

b= intercept (constant term).

The equation was used to project the underlying assumed trend linearly without major structural breaks or external shocks. Results are shown in table 21.

Table 21. Number of portable documents A1 and EHIC issued in 2023 and estimated in 2040 (EU)

Portable document	EHIC	Portable document A1
Issued in 2023	28.5 m	5.2 m
Issued in 2040	32.8 m (+15%)	10.8 m (+106%)
Cumulative (2026-2040)	~465 m	~128 m

Source: Study on digitalisation in social security coordination

As explained in section 0 of the report, this is also supported by trends in some areas such as intra-EU mobility, cross-border service provision, demographic shifts, notably EU population ageing, number of retirees seeking residence in other Member States, intra-EU tourism.

Estimation of the future magnitude of the problem

Number of controls and costs

As presented earlier in the annex ('checks on portable document A1), figures on the number of portable A1 checks were available for Belgium, Spain, France, Lithuania, Luxembourg, the Netherlands, Austria, and Poland. The share of checks out of total incoming portable documents A1 was calculated for each country as:

$$s_i = \frac{C_i}{P_i}$$

where

- s_i= share of checks for country i,
- C_i= number of PD A1 checks,
- P_i= total number of incoming PD A1s.

An average share was applied to extrapolate to countries without available data. For larger Member States (e.g., Italy and Germany), benchmark ratios were derived from countries of comparable size in terms of incoming portable document A1 volume.

The total number of PDs checked was estimated as:

$$PD_{\text{checked}} = C \times n_{PD} \times t$$

where

- C= number of controls,
- n_{PD}= average number of PDs checked per control (3 to 5),
- t= time per control (in minutes).

Time per control (t) was set at 5–10 minutes for countries with direct database access (i.e., BE, DE), and 8–16 minutes for others. The total labour time (in hours) was calculated as:

$$H = \frac{PD_{\text{checked}}}{60}$$

The corresponding annual cost as:

$$\text{Cost}_{\text{annual}} = H \times LC_{ISCO4}$$

where LC_{ISCO4}denotes average hourly labour cost under ISCO-4 classification (last updated in March 2025).

Given the inherent uncertainty surrounding future inspection and verification practices, two scenarios were developed to project values until 2040:

- Constant Scenario: this assumes the number of checks remains constant over time, reflecting a conservative assumption in which inspection capacity, enforcement priorities, or resource constraints limit the expansion of checks, even if underlying mobility increases. This scenario provides a lower-bound trajectory.

- Growth Scenario: checks increase proportionally to the projected number of issued Portable documents A1 under the baseline scenario. This represents a situation where inspection and verification activities expand in line with rising cross-border activity and posting volumes, for example due to strengthened enforcement or improved detection capabilities.

Average values were taken across the minimum–maximum range and across both scenarios to derive central estimates (in ranges). Ranges are still presented to reflect uncertainty. This approach was chosen to reduce sensitivity to extreme assumptions, while still capturing uncertainty through scenario design. The use of averages provides concise, plausible central estimates that are suitable for comparative assessment across policy options, while the two scenarios transparently illustrate the underlying uncertainty.

The same approach was used for EHIC. The number of checks was approximated using administrative data on E125 forms issued and E126 forms received. These forms were used as proxies for the volume of cross-border healthcare claims requiring eligibility verification.

The total number of EHIC checks was estimated as:

$$C_{\text{EHIC}} = E125 + E126$$

where

- $E125$= number of E125 forms issued,
- $E126$= number of E126 forms received.

The time required per EHIC check was assumed to be between 2 and 5 minutes, based on expert feedback. Total labour time (hours) was calculated as:

$$H = \frac{C_{\text{EHIC}} \times t}{60}$$

where

- t= average time per check (2–5 minutes)

Annual labour cost was then obtained by multiplying labour time by the ISCO-3 hourly labour cost (last updated in March 2025), as follows:

$$\text{Cost}_{\text{annual}} = H \times LC_{ISCO3}$$

where LC_{ISCO3} represents average labour costs for ISCO 3 category.

Two scenarios were developed for projections until 2040 (same as for portable document A1):

1. Constant Scenario assuming the number of checks remains constant over time.
2. Growth Scenario, where checks grow in proportion to the projected number of issued documents under the baseline scenario.

Average values were then taken across the min–max range and across both scenarios to obtain central estimates.

The growth scenario assumes annual increases in document issuance proportional to observed trends in EHIC issuance (~0.9% per year) and portable document A1 issuance (~5.88% per year), derived from historical data.

Based on the estimated number of inspections[295] and annual hours spent by inspection authorities across the EU, indicative forward-looking estimates place total inspection costs at approximately 32 million to 86 million euro over the period of 2026–2040[296]. For businesses, this corresponds to labour costs incurred during inspections of an estimated 28–76 million euro over the same period.

The verification of EHICs is estimated to take around 68 000 to 170 000 hours per year, equivalent to 2.2 million to 5.6 million euro annually. Over the period 2026–2040, this translates into a total cost for the EU of approximately 34 million to 90 million euro[297].

Unexpected costs – upfront payments (EHIC).

The baseline scenario does not solve or address the problem of the need for upfront payments for treatment, which are needed in case the individual does not hold a valid EHIC or it is not accepted by the healthcare provider. Based on approximately 42 000 claims per year, totalling around 3.4 million euro, based on 2023 data, the baseline value of cases involving refused or missing EHIC are estimated to be roughly 54-58 million euro over the period 2026-2040. Therefore, while patients are ultimately reimbursed, they may need to pre-finance medical expenses, which can temporarily affect their finances. In addition, costs associated with filing claims are estimated to be approximately 1.5 - 1.7 million euro over the same period[298].

Costs related to fraud

False portable document A1 were analysed using data from Poland, Finland, Czechia, and Latvia. For these countries, the share of false portable documents was calculated in relation

[295] Assuming 3 to 5 documents are checked per inspection. See here https://www.ela.europa.eu/en/news/institute-social-security-portugal-awarded-its-innovative-tool-preventing-social-security and ELA (2023). Available here https://www.ela.europa.eu/sites/default/files/2024-04/PT_good-practice_dla-application_posting-of-workers.pdf

[296] Assuming an average verification time per inspection of 5–10 minutes for countries with access to a central repository of incoming PD A1s and 8-16 minutes otherwise. The lower bound estimate reflects the constant scenario, in which the number of inspections remains stable at 2023 levels. The upper bound assumes that the number of inspections increases at the same rate as the issuance of portable documents A1.

[297] The range is due to the estimated 2 to 5 minutes per check. Defining a single representative figure would be misleading and appears not feasible. For this reason, a range of minutes and the associated costs are provided. Assuming an average verification time of 2–5 minutes per check and based on trends in the number of E125 forms issued and E126 forms received. The number of EHIC verifications is expected to remain broadly stable over time, with only a moderate increase reflecting the projected growth in EHIC issuance. The average hourly labour cost applied for human health and social work activities (EUR 32.60, Eurostat) was used.

[298] Assuming 5 minutes per claim.

to the total number received. The average share was then applied to other Member States to estimate false portable documents A1 cases based on their incoming portable documents A1 volumes.

This method assumes similar non-compliance across Member States, despite factors like enforcement intensity varying, making the estimates indicative. With limited EU-wide data on portable document A1 fraud, two scenarios were developed to project false portable document A1 cases until 2040:

- Constant Scenario: Assumes the number of false portable documents A1 remains steady over time, reflecting stable enforcement capacity and deterrence effects, providing a lower-bound reference.
- Increasing Scenario: False portable document A1 grow with projected portable documents A1 issuance, indicating fraud scales with cross-border activity without countermeasures.

Average values across these scenarios provide central estimates, smoothing extreme assumptions for comparative analysis. Fraud rates for portable document A1 were used to estimate false EHIC cases due to lacking EHIC-specific fraud data.

Data on EU social security coordination fraud, including prevalence and financial impact, is limited. For portable document A1 fraud, projections until 2040 used Italian data, where the average cost per fraudulent case was 1,892 euro based on postings circumventing Italian social security rules. Italian data is considered reliable offering a transparent and evidence-bases starting point for extrapolation, although extrapolation across Member States carries limitations due to differing conditions. For EHIC, financial impacts were calculated using average treatment costs, based on 2023 reimbursement values. Overall, estimates are indicative and reflect orders of magnitude, not precise figures.

For **portable document A1,** the annual number of fraudulent cases (false portable documents A1 only) is estimated at around 3.9k across the EU, resulting in a cumulative of **60 000–96 000 cases over the period of 2026–2040**. The absence of reliable data on the financial impact per fraud case makes any estimate of cumulative costs highly uncertain and difficult to quantify. Indicative estimates place costs related to false Portable document A1s at **112 million to 181 million euro for the period 2026-2040**[299]**.**

[299] Evidence on fraud in the field of EU social security coordination remains limited, particularly with regard to its prevalence and financial impact. As a result, robust and comparable EU-wide estimates are not available. For data on Italy see European Commission (2017): Fraud and error in the field of EU social security coordination, https://backoffice.biblio.ugent.be/download/8572333/8572334. Data from Italy refer to cases where the postings were found to be non-genuine and aimed at circumventing Italian social security rules by applying more favourable legislation from other Member States. Irregularities included missing or incorrect A1 forms and the artificial employment of Italian workers abroad solely to post them back to Italy for the full duration of their employment. While extrapolation necessarily implies that conditions in other Member States may differ, there is no indication that the nature or typology of fraud would vary significantly across countries.

For the **EHIC**, based on an estimated 2,000–20,000 cases of inappropriate use per year, the cumulative number for 2026–2040 is projected at **30 000–300 000 cases**, translating into fraud between **EUR 15 million** to EUR **150 million** euro for the EU[300].

ANNEX 10 ESSPASS PILOTING ACTIVITIES IN 2021 - 2025

From the beginning, the European Commission placed stakeholder engagement at the forefront of its strategic planning, acknowledging its critical role in shaping effective policies. Recognising the value of diverse perspectives and firsthand experiences, the Commission chose to start ESSPASS as a pilot project. This decision reflected a **commitment to actively involve key stakeholders at an early stage** of the development process, **ensuring that the initiative is both feasible and responsive to the needs and realities of those it aims to serve**.

Pilot activities offered several advantages, including:

- Testing of solutions: pilots demonstrated the viability and benefits of a digital solution for the issuance and cross-border verification of social security coordination documents, strengthening confidence in larger-scale implementation.
- Technical validation: They allowed for the verification of technical feasibility, ensuring that systems and processes function as intended under real-world conditions.
- Stakeholder engagement: They provided a platform for engaging stakeholders and securing buy-in, as participants could see tangible results and benefits. This is confirmed but their request to put in place the conditions to move form pilot to large-scale deployment.
- Identifying constraints and requirements: Pilots identified legal, organisational, and technical constraints and requirements, providing valuable insights for overcoming barriers.
- Risk mitigation: By testing on a smaller scale, potential risks and challenges were identified before full-scale implementation, reducing the likelihood of costly mistakes.
- Feedback and expertise: Participants provided feedback, expertise and insight, facilitating a comprehensive evaluation that informed the subsequent follow-up, notably the preparation of the initiative.

The initial pilot activities carried out between 2021 and 2023 tested the issuance and cross-border digital verification of the integrity, authenticity and validity of portable document A1 building on the European Blockchain Services Infrastructure (EBSI). The pilot was co-led by the Italian Istituto Nazionale della Previdenza Sociale and the European Commission's Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL). **Other 13 Member States followed this first phase, mostly as observers due to**

[300] The impact was calculated by using average value of 500 euro per EHIC treatment based on the reported reimbursement to the Member State of stay or to the insured person. See https://employment-social-affairs.ec.europa.eu/document/download/eaa7dc40-2bee-4c7f-ada5-0ec326383ff0_en?filename=Cross-border%20healthcare%20-%20Reference%20year%202023.pdf.

a luck of human and financial resources and concerns regarding the use of the blockchain. The Directorate-General for Communications Networks, Content and Technology (DG CNECT) and Directorate-General for Digital Services (DG DIGIT) assisted in technical aspects.

Following up on the first phase, two consortia of Member State institutions pursued ESSPASS activities and further piloted the issuing and cross-border verification of portable document A1 and the European Health Insurance Card. Their efforts were facilitated by co-financing under the Digital Europe Programme, which helped to address the previous resource limitations:

- **DC4EU** (2023-2025) piloted the application of the European digital identity trust framework focusing on the education and social security coordination fields in a form of a large-scale pilot. It investigated the issuance of the Portable Document A1 and the European Health Insurance Card in the social security coordination sector. DC4EU involved 80 relevant institutions from 22 countries, with 15 countries (AT, DE, DK, PL, BE, NL, FR, LU, BG, CZ, ES, PT, IT, FI, CH) participating in the social security coordination work packages.
- **The EBSI-VECTOR project** (2023-2025), led by Spain and the Netherlands, focused on enhancing digital interactions in education and social security fields by implementing verifiable credentials and trusted registries using blockchain technology. The social security use case performed a Proof of Concept with parties to demonstrate the functionality of using credentials, including the portable document A1 and the EHIC, in an EBSI compliant infrastructure. The project was a collaboration of 52 partners from 20 countries, with five countries (AT, BE, DE, IT, NL) involved in the social security coordination use cases.

Moreover, in 2025, Belgium and Portugal launched **a Proof of Concept (PoC) for an enhanced version of the EHIC (PDF + QR code)** in the context of the Ad hoc group of the Administrative Commission on the digitalisation of the EHIC. The PoC defined the business and technical requirements for an alternative format not involving the use of EUDI wallets, consisting of an entitlement document issued in PDF format, enriched with a QR code.

Main results of the pilot activities

Pilot activity	Main results of the pilot activity

First phase of activities	• **User journeys** in the social security coordination domain depicting the possibility of using digital credentials to replace the physical documents (paper or cards). • Implementation of a digital wallet for mobile individuals, a prototype digital portable document A1 attestation and a verification app.
DC4EU	• Demonstration that the **core components of the European Digital Identity (EUDI) framework,** including EUDI Wallet, the trust frameworks and the public electronic attestations of attributes (Pub-EAA), **can be used** for the digitalisation of procedures related to EHIC and portable document A1. • **User journeys for the issuance and cross-border verification of EUDI-compatible version of EHIC and portable document A1**. • A first draft **rulebook for portable document A1 and EHIC**, according to the EUDI's Architecture and Reference Framework (ARF). • A prototype design for a **revocation service** and related semantics, included in the rulebook. The service has been designed 'according to ARF principles, enabling real-time status checking of credentials'. • Basic **policies for verification and selective disclosure**, including trust validation, selective attribute release and compliance with data minimisation and purpose limitation. • Investigation of the possibility of **representation and delegation** (e.g. presenting a portable document on behalf of somebody else, like a child) relying on the EUDI framework. • Costs *** • A potential **governance model** for managing the implementation and evolution of ESSPASS (involving social security coordination governance bodies and national institutions). • Description of steps to **onboard new stakeholders** in the EUDI wallet ecosystem for social security. • A list of **activities** that are needed **for a full-scale implementation** of ESSPASS building on the EUDI framework, at EU and national levels.
The EBSI-Vector project	Following up to the initial pilot activities, investigation of the possibility to use **blockchain technology**, specifically the European Blockchain Services Infrastructure (EBSI), for the digitalisation of two social security coordination documents: **portable document A1 and EHIC (verifiable credentials)**. The pilot focused on issuance and verification. **No clear added value** of using EBSI functionalities in the context of the digitalisation of social security coordination documents use cases was demonstrated.

PoC PDF + QR Code	• The Proof of Concept demonstrated that **an alternative** version to the EUDI PUB-EAA is feasible in the context of social security coordination. The proposed format, based on a **PDF enhanced with a QR code**, is intended for individuals not willing (or not able) to use an EUDI wallet. The PoC focused on the **issuance and verification of the EHIC in this format.** • **User journeys** and **draft technical specifications** (for the data format and the QR code). • **A test verification app** for the verification of the EHIC in PDF + QR code format by healthcare providers. • Costs model.

ANNEX 11: DIFFERENCES IN PURPOSE, SCOPE AND ACTORS BETWEEN ESSPASS AND EESSI

The need for two distinct solutions is not the result of technical limitations, but reflects different purposes, users, operational constraints, and data protection requirements. Although many functions could theoretically be implemented within a single system, this would not be reasonable from a logical, operational, efficiency, or cost-effectiveness perspective.

The following sections outline the key divergences that make EESSI unsuitable for fulfilling the objectives of ESSPASS.

DIFFERENT PURPOSES AND COMPLEMENTARY ROLES

The ESSPASS pilot project was not launched as an alternative or competing initiative to the existing EESSI. For ESSPASS there is a need to operate on a **different layer of the social security ecosystem** and to address **different problems**.

EESSI was designed to support structured, legally grounded exchanges **between competent institutions in different Member States**. Any ESSPASS solution, by contrast, will need to focus on enabling the **presentation and verification of social security entitlements** by **individuals** in concrete, real-life situations. The need for coexistence reflects complementarity: EESSI supports administrative coordination in the background, while ESSPASS is needed to support entitlement verification at the point of use.

DIFFERENT USERS AND MOMENTS OF USE

EESSI supports **asynchronous inter-institutional communication**, often mediated by case handlers (clerks) and operators, and typically before or after an entitlement is asked for. Typical use cases include reimbursement processes, administrative checks, or ex post controls where there is no need for instant reply.

ESSPASS, on the other hand, is needed for **immediate use**, at the exact moment when an individual needs to demonstrate an entitlement, for example during a labour inspection or when accessing healthcare. It must therefore operate in real time and without reliance on continuous internet connectivity, such as in remote or operational environments.

This difference in timing and immediacy is structural and cannot be bridged by adaptations to EESSI.

Different actors and access models

EESSI was conceived exclusively for use by competent social security institutions and operates within a **closed, highly secured network**. This architecture deliberately excludes individuals, employers, healthcare providers, and other frontline actors from direct access, as a core security and governance principle.

The pilot activities of the ESSPASS followed a fundamentally different model, being **citizen-centric by design** and granting individuals full control over their credentials and data so that they can easily understand their social security status and rights in cross-border situations. Authorised third parties can verify entitlements through explicit consent given by individuals, and without triggering inter-institutional exchanges.

This access model enables faster interactions, greater transparency for users, and improved privacy protection, while avoiding the operational overhead inherent in institutional workflows. It also enables individuals to have a single access point to all information and documents needed in cross-border situations.

Different operational and technical logic

From a functional perspective, EESSI is a system for **exchanging messages about cases**, a system with a broad scope, designed to support multiple administrative procedures. Its workflows are case-driven, and the subject of a case may be an individual, an employer, or a reimbursement party.

Furthermore, EESSI only standardises the data model for international exchanges, while national processes remain heterogeneous. The business needs behind the ESSPASS do not require data exchanges between institutions in different countries, as they rely on credentials presented directly by the entitlement holder.

ESSPASS has a deliberately narrower scope. It is foreseen as **entitlement-driven**, focusing on the verification of concrete rights, applicable legislation (portable document A1) or healthcare coverage (such as EHIC or portable document S1), without managing administrative cases or background procedures.

Implications of redesigning EESSI

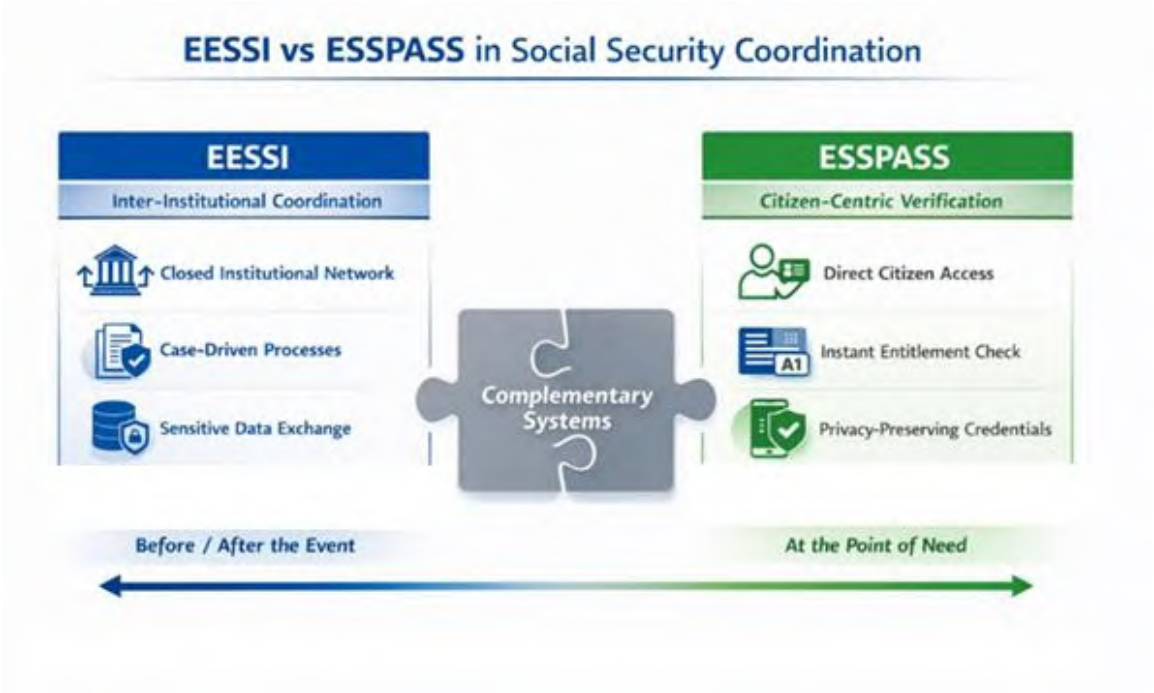
Extending EESSI to support ESSPASS use cases would require opening the system to individuals and non-institutional actors, fundamentally altering its scope, access model, security architecture, and governance framework. This would not even be sufficient to solve the multitude of the initiative identified challenges.

Such a change would amount to a complete redesign of a system whose initial development took twelve years and costed approximatively 167 million euro for the European Commission. Substantial additional investments were made by Member States. A comparable effort would be necessary to adapt it, while also risking disruption to a system that is currently stable, mature, and widely accepted across the EU with consequences on concrete individuals' cases.

DIFFERENT DATA PROTECTION MODELS

From a data protection perspective, EESSI involves the exchange and storage of personal, medical, and other sensitive data at national level across institutional systems, resulting in a complex GDPR footprint on the national side.

The piloting activities of ESSPASS followed a markedly different approach: verifiable credentials are held by individuals and shared with verifiers only upon request and for the defined purpose. Using the wallet, the induvial consent to share the data. This model aligns closely with the principles of data minimisation, purpose limitation, privacy by design, and user control over data disclosure. These principles are not central to EESSI, not due to shortcomings, but because of its fundamentally different nature and objectives.



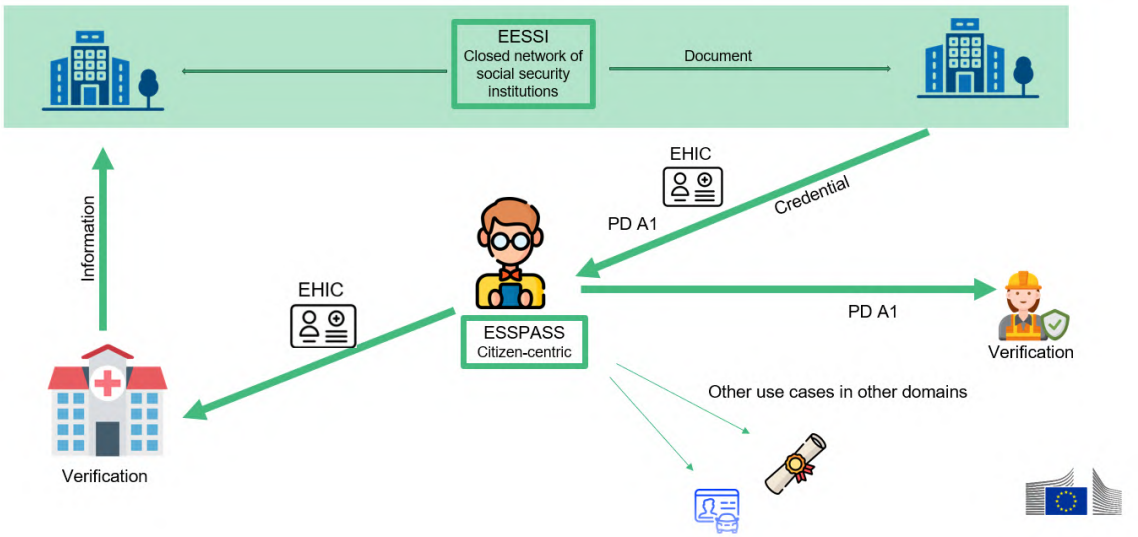


Image: Simplified image of citizen-centred vs. institution-to-institution use cases

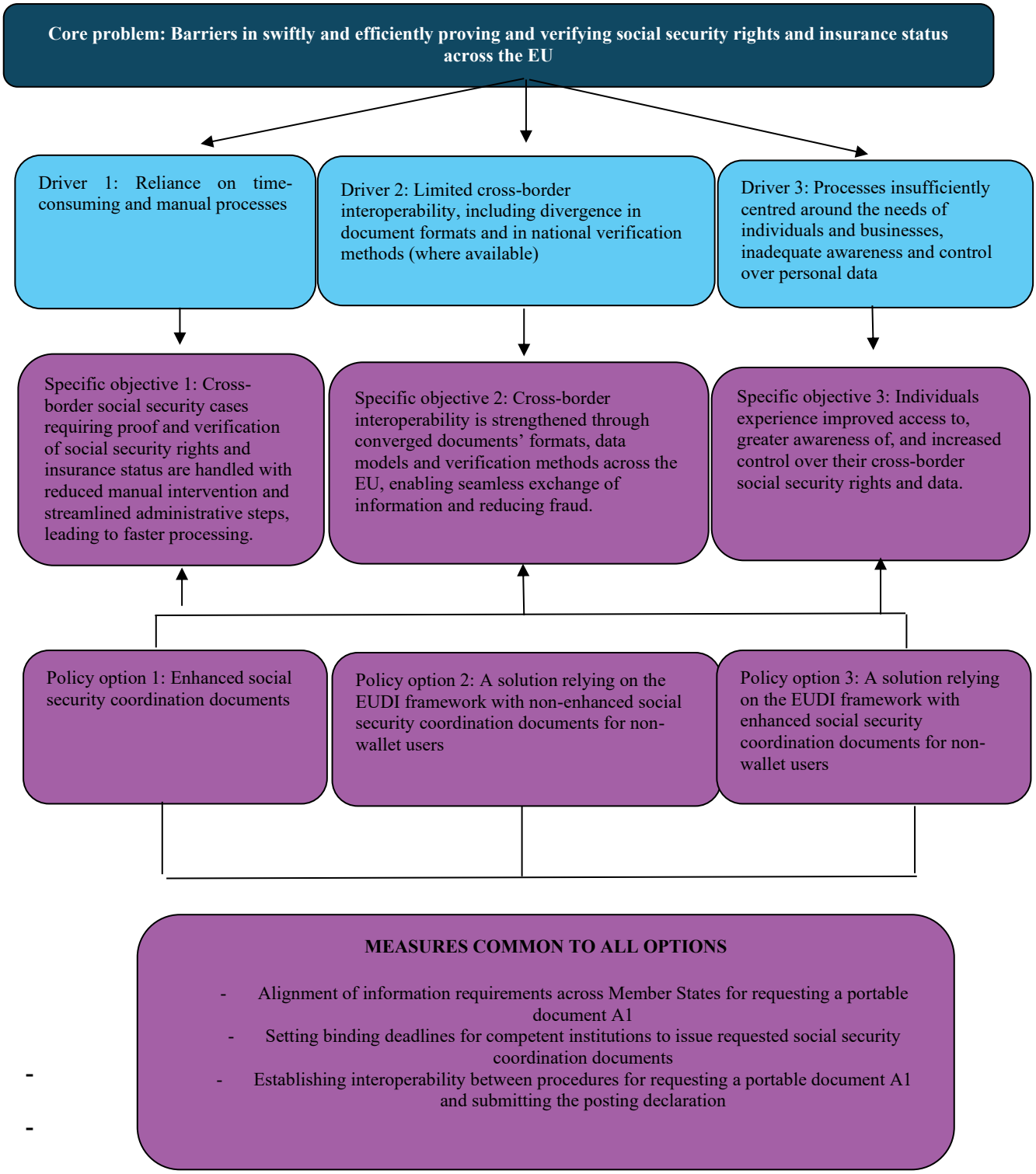
The future vision for ESSPASS and EESSI

As also recognised by stakeholders in the various meeting of the AC and as part of the pilot activities, ESSPASS and EESSI should complement each other in an efficient and logical way, focusing on different use cases and stakeholders, providing the correct means and environments in function of their different needs.

The two systems should be aligned from a semantic and syntactic point of view where necessary, using a shared model for the data related to portable documents processed in both systems and ensuring the same digital certificates can be used to sign documents and messages by social security institutions using both systems. This will allow to have a smooth end-to-end coverage for all use cases in social security coordination that deal with both individuals and involved institutions.

ANNEX 12: INTERVENTION LOGIC AND MONITORING INDICATORS FOR THE PREFERRED POLICY OPTION

INTERVENTION LOGIC



DRAFT MONITORING INDICATORS FOR THE PREFERRED OPTION

Specific objectives	Operational objectives	Indicators	Sources of data
S01. Cross-border social security cases requiring proof and verification of social security rights and insurance status are handled with reduced manual intervention and streamlined administrative steps, leading to faster processing.	Ensure availability of online request and electronic issuance of additional portable documents beyond those already included in the Single Digital Gateway Regulation.	Percentage of Member States that provide procedures fully available online (target: 100% by the legal deadline) Percentage of Member States that issue documents electronically (target: 100% by the legal deadline) Percentage of compliant national authorities (target: 100% by the legal deadline) Average proportion of applicants using the online procedures (progressive increase following the introduction of the online procedures)	Survey as part of the annual statistical reports on social security coordination or ad hoc study/ ELA study on digitalisation e-government benchmark report SOLVIT platform Your Europe advice
	Ensure timely issuance of portable documents and the EHIC Reduce delays	Percentage of portable documents and EHICs issued within the legal deadlines (target: 100%) Average time taken to issue portable documents and the EHIC Number of complaints by businesses and individuals, including self-employed, on cases exceeding the deadlines	
	Automate document processing and verification	Proportion of documents processed automatically across Member States	

	Reduce processing times for verifying documents Reduce costs associated with verification of credentials	Average processing time for verifying documents (baseline: current average processing time, target: a few seconds for wallet-based credentials and one minute for non-wallet credentials) Costs for cases handled	
SO2. - Cross-border interoperability is strengthened through converged documents' formats, data models and verification methods across the EU, enabling seamless exchange of information and reducing fraud.	Ensure full compliance with mandatory interoperability standards/common formats Reduce the number of cases where individuals encounter difficulties in accessing rights and healthcare in other Member States Reduce number of interactions and disputes between national authorities due to EHIC rejected invoices Reduce cases of fraud related to the proof of social security rights and insurance status Ensure secure data exchange. Ensure compliance with security requirements.	Percentage of Member States' systems fully compliant with the standards/common formats (target: 100% by the legal deadline) Number of not accepted EHIC (baseline: current number of refused EHIC target: progressive reduction after implementation) Number of complaints by individuals on EHIC refusals Number of rejected healthcare reimbursement invoices (baseline: current number of rejected invoices target: progressive reduction after implementation) Reduction in the cases of falsified portable documents and inappropriate use of EHIC (baseline: current number of cases target: progressive	Annual statistical reports on social security coordination/ Potential ad hoc survey/study

		reduction after implementation) Percentage of data exchanges carried out through secure and compliant channels (target: 100% of exchanges through approved secure channels) Number of security incidents or data breaches (target: zero major incidents) Percentage of institutions complying with agreed security standards (target: 100%)	
SO3. Individuals experience improved access to, greater awareness of, and increased control over their cross-border social security rights and data.	Ensure that Member State institutions implement user-friendly digital services Reduce redundant information requirements Achieve the greatest use of electronic attestations of attributes (EAA) to be stored in the EUDI wallet Ensure security in data exchange.	Percentage of users (businesses, individuals) satisfied with the solution and awareness rating Time of completion of users' requests (reducing average time, reducing difference between minimum and maximum time needed between Member States) Proportion of portable document A1 and EHIC issued as EAA in the EUDI wallets (target: progressive increase after implementation) Number of cross-border verifications completed successfully (transaction volume, high/continuous level of successful verification after implementation) Percentage of data exchanges carried out through secure and compliant channels (target:	Annual statistical reports on social security coordination Potential ad hoc survey/study

	Ensure compliance with security requirements.	100% of exchanges through approved secure channels) Number of security incidents or data breaches (target: zero major incidents) Percentage of institutions complying with agreed security standards (target: 100%)	