



Council of the European Union
General Secretariat

Brussels, 24 October 2025

WK 14205/2025 INIT

LIMITE

COMPET

MI

This is a paper intended for a specific community of recipients. Handling and further distribution are under the sole responsibility of community members.

NOTE

From:	Presidency
To:	Delegations

Subject:	Presidency's Draft Action Plan : Setting the course towards a Single Market driven by business data Working Party on Competitiveness and Growth on 27 October 2025
----------	---

Action Plan: Setting the course towards a Single Market driven by business data

Introduction

The Single Market is a key driver of competitiveness in the EU, but much potential is still untapped. In its Single Market Strategy, the Commission highlights the significant potential of digitalisation to enable the swift and effective operation of businesses, national authorities, and the Commission creating a true digital and data-driven Single Market.

Having businesses' own data flows and IT systems at the center of attention, the European Commission and Member states must commit to a well-coordinated collaboration to adopt a paradigm shift from a paper-based single market toward a data-driven single market for business data and reporting toward 2030. Digitising, standardising and automating businesses' administrative processes and business reporting across the EU brings new opportunities to leverage investments in digitalisation and drive productivity growth in European companies. Digital bookkeeping and eInvoicing alone has the potential of estimated €87 billion in annual net savings for EU companies.

In addition to the Single Market Strategy, the omnibus packages on simplification and the European Data Union Strategy, this action plan calls for a long term and continuously effort for further burden reductions and increased competitiveness through standardisation, digitalisation and automation of business data and reporting.

This action plan presents five key steps setting the course toward a data-driven Single Market:

1. guiding principles for **digital ready legislation** making business processes for reporting requirements digital and automated
2. **access to trustworthy and qualified data** making it easy to validate business data through transparent and authoritative methodologies
3. **harmonised and standardised data formats** for efficient business-to-government reporting, and to facilitate business-to-business data sharing
4. **minimum technical requirements** to ensure interoperability and automation between businesses digital systems; and support especially SMEs uptake of digital business systems
5. **open and common EU data infrastructure** for secure and seamless sharing of business data.

Action Plan

A. The five key steps setting the course towards a Single Market driven by business data

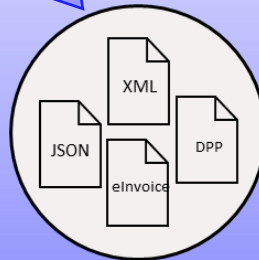
1. Digital ready legislation

EU regulation and reporting requirements must be fit for digitalisation from the start



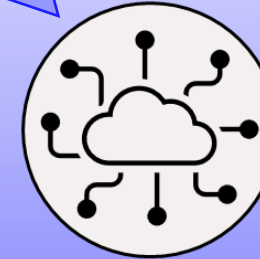
3. Standardised data formats

Setting structured and standardised data formats for businesses reporting requirements efficiently remove barriers to data sharing across borders and in B2B and B2G scenarios.



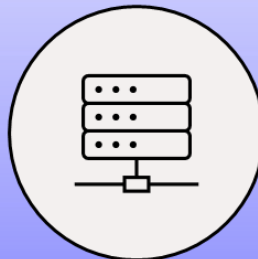
5. Business data infrastructure

Establishing a long-term open business data infrastructure in collaboration between the Commission, Member States and private actors realising automated and real time B2B and B2G data sharing



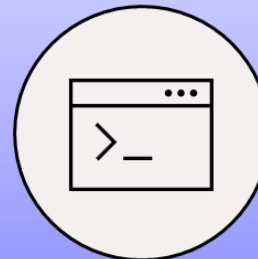
2. Access to data

Providing easy access to trustworthy and qualified data following transparent authoritative methodologies and definitions efficiently reduce burdens from verifying and validating data sent across value chains



4. Technical minimum requirements

Mandating technical minimum requirements for IT system providers ensures interoperability, portability, cybersecurity, and transparency necessary for easy data between businesses IT systems



*Data Driven
Single Market*



B. Actions to realise key steps

To achieve the goal of a data-driven Single Market, all relevant parties, including the EU and its institutions, Member States and their governments, businesses, and all other stakeholders, must work together. The EU and its institutions should set the ambitious goals and ensure an interoperable decentralised approach, while Member States must ensure that the digital infrastructure is compatible, and that digital skills and administrative capacities are advanced. At both levels, we need to partner with the private sector to deliver user-friendly digital business systems for companies to use in their everyday life.

Key steps	Problem definition	Action and responsibility
1. Digital Ready Legislation	<p>Today companies struggle to meet regulatory reporting requirements digitally, despite having the necessary systems, due to difficult-to-interpret legislation and insufficient harmonisation on digital aspects.</p> <p>To ensure a paper free EU future, all legislation must be digital ready to ensure that all EU-legislation is working in the same direction.</p> <p>This should be done by including digitising requirements for businesses and consider B2B interoperability assessments as part of the impact assessment.</p>	<p>Digital product passports by default for product information and make it the main data carrier for companies to disclose product information, streamlining disclosure requirement across product legislation (<i>Omnibus proposals & upcoming NLF revision Q2 2026</i>).</p> <p>Wallet by default for identification and authentication purposes in EU legislation utilising both EUDI Wallet and Business Wallets. Ensure that wallets are designed and implemented in a way that allows interoperability with existing digital solutions. (<i>eIDAS2 delegated acts and European Business Wallet proposal Q4 2025</i>).</p> <p>Screen the acquis for digital readiness for existing legislation by reviewing and identifying reporting requirements that can be simplified and underpinned through digitalization and automation (<i>European Commission</i>)</p> <p>'Digital ready' legislation from the get-go ensuring that future legislation is scrutinised and analysed ensuring that new reporting requirements are 'digital ready' (<i>European Commission</i>)</p> <p>Adopt a digital-first approach embedding automated reporting requirements into future EU regulations (<i>European Commission, Member States</i>)</p>

2. Easy access to trustworthy and qualified business data

For EU companies to effectively measure and share sustainability data – meeting both EU and national sustainability reporting and product disclosure requirements – access to trustworthy and comparable data is needed.

This requires continuous efforts to ensure the availability of high-quality data, e.g. on carbon emission factors and biodiversity metrics, as well as the establishment of standardised widely acknowledged sustainability data formats that can be easily shared and processed in digital business systems. These efforts should aim to enhance accountability, comparability and reduce burdens.

Expand EU data spaces and the open data directive ensuring easy access to trustworthy data (*Data Union Strategy Q4 2025*).

Make data needed for sustainability reporting more accessible on both product and company level (*Data Union Strategy Q4 2025*).

Establish an EU CO₂e emission factor database reducing the burdensome task from gathering and sharing CO₂e emission data between businesses (*European Commission, EFRAG, RTOs and national authorities*).

Develop lacking ESG methodologies in close dialogue with the private sector and ensuring alignment of data definitions (*European Commission, RTOs, national authorities, ESOs & private sector*).

3. Harmonised and standardised data formats

Companies often handle reporting data and input data from their value chains to authorities using formats like PDFs, which are not machine-readable, hindering automation.

To address this, it must become easier for companies to collect and share relevant information in their digital systems. This can be achieved by ensuring that reporting requirements use structured and standardised data formats.

Harmonise data formats across member states for data sharing and business reporting (*European Commission, national authorities*)

Define harmonised and standardised formats when introducing new reporting requirements (*European Commission, national authorities*)

Reuse existing data and data formats for other data sharing and reporting needs by introducing new harmonised data fields in existing formats, e.g. data fields on CO₂e emissions and links to DPPs in eInvoices to enable automated sustainability reporting (*eInvoice Regulation, pilot on eInvoicing and sustainability reporting 2026*)

Develop standardised data formats where needed (*European Commission, High-Level Forum for Standardisation, national authorities, ESOs, private sector*)

Offer a common digital format for the voluntary SME standard (EFRAG & national authorities Q4 2025)

4. Minimum technical requirements

Many companies in the EU rely on a multitude of systems for their operations, each with its own distinct characteristics and varying levels of quality, often lacking the necessary functions for automation.

Increase the use of digital business systems for especially SMEs and public authorities including software solutions for eInvoicing and Digital Product Passports, e.g. through digital vouchers and technical support to SMEs (*European Commission, national authorities*)

Set legal minimum requirements for business system providers' digital solutions ensuring transparency and trust. This includes minimum requirements for methodologies, definitions, functionalities, data standards, protocols, ownership, integration, and portability (*European Commission, national authorities, IT system providers*)

Mandate technical minimum requirements for businesses IT solutions, ensuring interoperability and avoiding vendor –lock-in to the benefits for SMEs and competitiveness.,. Inspiration can be drawn from the Digital Product Passport and the VAT in the Digital Age package (*European Commission, national authorities, IT system providers*)

5. Open and common EU business data exchange infrastructure

The methods for exchanging data business-to-business for reporting vary widely, with some relying on expensive APIs, leading to a fragmented approach that substantially increases companies' workload. In addition, input data is often shared within closed, proprietary networks/platforms.

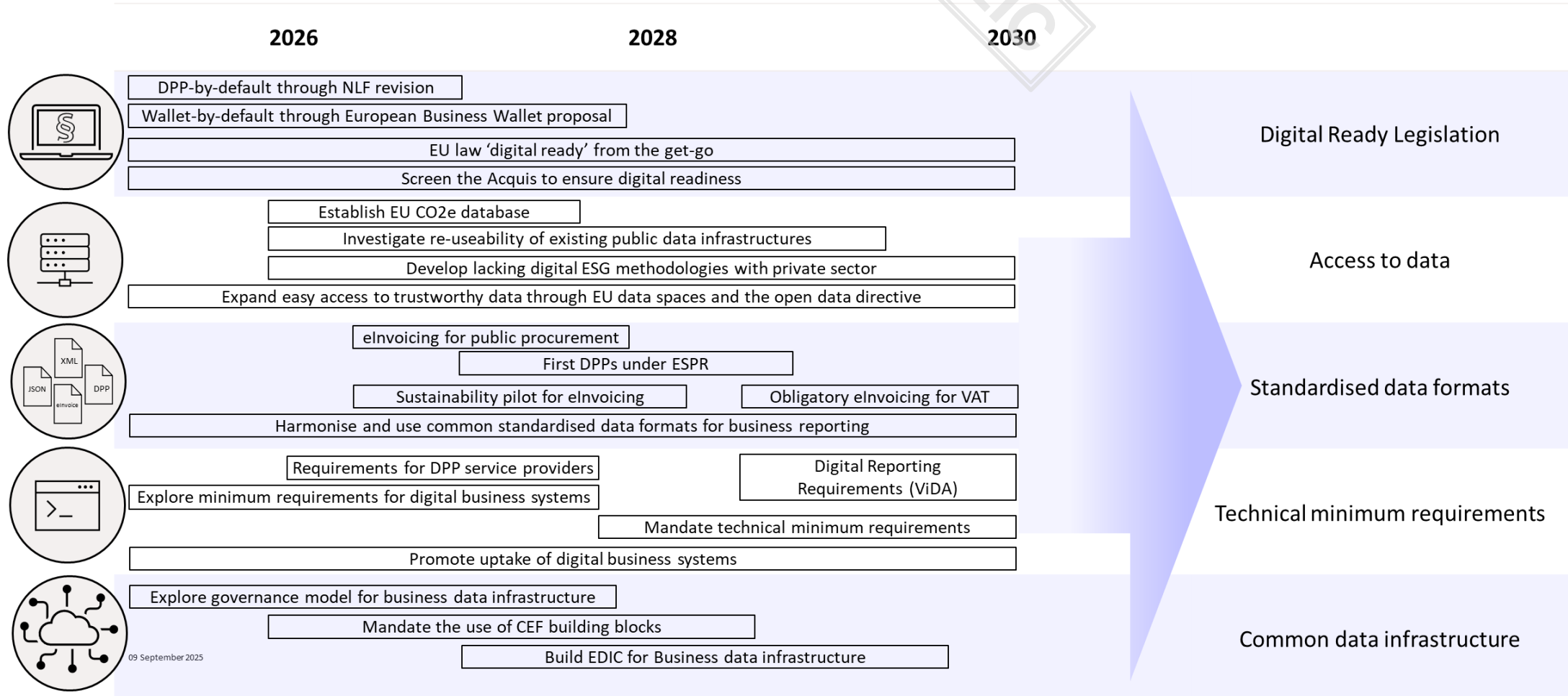
To address this, a long-term open business data exchange infrastructure should be developed through collaboration between the Commission, Member States, and private stakeholders.

Develop a governance model for an Open Business Data Exchange Infrastructure, e.g. a European digital infrastructure consortium (EDIC), building on best practices in EU wide infrastructures and within member states (*European Commission, national authorities, private sector*)

Mandate the use of CEF building blocks for cross-border reporting and business data exchange facilitating seamless sharing of reporting and business data across borders, supported by funding opportunities (*European Commission, national authorities*)

PUBLIC

Timeline for for the realisation of the action plan



09 September 2025

Background analysis

A year has passed since the Draghi report made it clear that regulatory obstacles and administrative burdens along with lacking investments in decarbonisation, digitalisation and productivity growth are major challenges for European competitiveness.

Delivering on the ambition of a simpler and faster Europe, a continuous focus on realising a data driven Single Market with the aim of reducing burdens and enhancing competitiveness is central.

To follow up on the European Council declaration from November 2024 on the New European Competitiveness Deal, our work on simplification needs to rely on two steps: First simplifying the regulatory environment will reduce complexity and keep focus on the most important information needs in the short-term and second simplification should be accompanied by a long-lasting effort to digitise, standardise and automate business reporting, and to realise a data driven Single Market.

Challenges with the current data sharing landscape

The current data sharing landscape is fragmented within and across member states. Companies still handle data manually with most data being shared in e-mails and processed in excel spreadsheets. For companies, reporting requirements are often overlapping, fragmented and not aligned with everyday processes and businesses IT systems.

It is not reporting itself that is the most burdensome¹, but all the steps leading up to reporting. This includes the task of data collection gathering relevant information across value chains, data processing the information across company systems and validate and sharing data with relevant stakeholders.

For each procurement and similar business activities, companies end up repeating tasks thousands of times with data without common definitions being sent in different formats across fragmented systems in everything from emails, excel sheets, PDFs and even images. Manually handling this information is time- and resource-consuming. The administrative burdens sum up to around €225 billion for European companies to handle invoicing, bookkeeping and financial reporting to authorities.²

The potential for a data-driven Single Market is significant. Danish business cases demonstrate that mandating the use of digital bookkeeping and e-invoicing can reduce burdens from

¹ PwC: *Revised business case for digital bookkeeping law (2024)*, COWI: *Assessment of Danish companies' administrative burdens from CSRD (2024)*, European Commission, DG Reform: *Green and circular economy transition through standardization of product data in digital and automated processes (2024)*

² Based on extrapolation of Danish baseline estimate of €4.4 bn (DKK 33 bn), adjusted for EU labour cost averages (Eurostat Labour Cost Survey, 2023).

financial reporting by about 40%, corresponding to 82 hours saved per company annually.³ Extrapolated to the EU, this equals potential yearly net savings of €87 billion.⁴

A central prerequisite is that companies have the necessary IT systems to handle information needed for reporting. However, the average EU uptake of SMEs using digital business systems (ERP-systems) has only risen slowly from 35 pct in 2017 to 42 percent in 2023.⁵ Reaping the benefits from digitalisation thus depends on SMEs acquiring digital business systems stressing the need for assisting the digital transition for SMEs.

The reality is that companies do not have the time nor resources to allow for establishment of new add-on processes or systems for the sake of compliance only. Especially not in times of geopolitical instability, fierce global competition and urgent need for green and digital transition. There is a need for digital business systems to become swiss army knives for business-to-business data sharing and reporting requirements based on common data formats and interoperability.

Fortunately, the benefits from acquiring digital business systems largely offset the initial transaction cost for businesses. The Danish experiences with introducing mandatory digital bookkeeping showed that the transaction cost for Danish companies was a one-off €74.6 million cost and €14.8 million in recurring annual costs for acquiring a digital bookkeeping system while the benefits from leaner administrative processes and automated business reporting is €492 million in annual cost savings.⁶

Opportunities for a future data driven reporting landscape

With its Single Market Strategy, the Commission has called for a paradigm shift from a paper-based to a data based Single Market setting the overarching ambition. Key instruments such as the Digital Product Passport and its horizontal anchoring in the coming revision of the New Legislative Framework, the upcoming revised EU e-Invoicing acquis and the European Business Wallet are all building blocks in a future digitalised and data driven Single Market.

Bridging these upcoming initiatives with already well established existing digital tools such as the Single Digital Gateway, the Once-only Technical System and the Internal Market Information System are key to ensure a coherent approach going forward. Equally important is to secure dedication to central legislative principles such as ensuring digital readiness of reporting requirements and harmonisation of standards.

The paradigm shift provides scale of opportunities for Member States, businesses, and citizens alike, but requires a thorough plan for execution to avoid the risk of fragmentation if initiatives

³ KPMG *Business case on e-invoicing* (2023); PwC *Revised business case for digital bookkeeping law* (2024)

⁴ 32 million EU enterprises × 82 hours saved annually × €33/hour = €87 bn.

⁵ Enterprises who have in use an ERP (enterprise resource planning) software package to share information between different functional areas (e.g. accounting, planning, production, marketing) (Eurostat ICT usage in enterprises, 2025)

⁶ PwC: *Revised business case for digital bookkeeping law* (2024)

develop in parallel without a common and coherent approach, and the acknowledgment that we can leave no small and medium-sized enterprises (SMEs), Member States or citizens behind.

A data driven Single Market requires consensus on the fundamental principles for approaching further digitalisation, building on the two existing and three new principles:

- **Digital-ready legislation:** EU legislation that is designed from the outset to be digital by default: Rules and requirements should enable electronic processes, machine-readable data and interoperability across systems, rather than relying on paper-based or manual procedures. The goal is to reduce administrative burdens, support automation, and ensure laws can be implemented effectively in a data-driven Single Market.
- **Once-only principle:** Public administrations collect information from citizens and businesses just once, and then — with full respect of data protection — reuse and share this data across authorities and borders. It aims to eliminate redundant reporting obligations, increase efficiency, and simplify interactions with government services in the EU.
- **Business-centric digitalisation:** EU digital rules should build on companies' own business systems and processes rather than imposing parallel compliance layers, where regulators utilise and mandate the use of common structured data formats. A business-centric approach strengthens competitiveness, ensures smooth operations, and is supported by structured dialogue with the private sector and concrete pilots and demonstrations for reporting requirements.
- **Digital Product Passport by default:** Product information should by default be stored and shared through digital product passports (DPP). This will allow for a shared product data carrier that helps businesses and technology partners create interoperable and effective solutions, making it easier to meet reporting requirements across different product areas only once, and be a driver for data-driven and circular business models.
- **Interoperability and decentralised data sharing:** EU digitalisation should be based on machine-readable data formats, open digital tools, and a decentral but interoperable infrastructure. The EU sets common ambitions and minimum requirements for IT systems, while Member States ensure compatibility, skills and capacity — enabling cross-border data exchange through shared digital building blocks such as Digital Product Passports and the European Business Wallet.

Following these five main principles while delivering on the five core areas in the action plan, would make for a data-driven Single Market. Here data flows real-time in a seamless and automated digital ecosystem for business data between companies IT systems in common networks built on interoperability and standardised data to the benefits for the businesses itself, business partners, public authorities and its customers.

While the examples above mainly focus on financial reporting, this is an approach that could and should be applied at EU legislation at large, such as:

- *Ecodesign for Sustainable Product Regulation*: Introducing and utilising the Digital Product Passport, sustainability information on product level will be digitalised and shared in a common format – can be re-used for other product regulation.
- *Sustainability Reporting (CSRD, CSDDD)*: Utilising eInvoicing and Digital Product Passports for gathering sustainability information, reduces burdens from gathering and validating sustainability information.
- *Extended Producer Responsibility (EPR)*: Utilising CEF building blocks and eDelivery the data quality for calculating waste, recyclability, and reusability of packaging can be improved, and enable automated data sharing of packaging information.