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NOTE

From:	Presidency
To:	Working Party on Competitiveness and Growth (Better Regulation) Working Party on Competitiveness and Growth (Better Regulation - Attachés)
Subject:	Presidency discussion note on "Better Regulation for Business Data" (agenda item 3.)

Delegations will find enclosed a note by the Presidency with a view to steering the discussion on "Better Regulation for Business Data" (agenda point 3.) at the meeting of the Working Party on Competitiveness and Growth (Better Regulation) on 10 December 2025.

Presidency discussion note on “Better Regulation for Business Data”

Administrative burden reductions are key to European competitiveness. The Omnibus proposals have outlined a trajectory for simplification, putting focus on the most crucial requirements for European businesses. The Commission’s Single Market Strategy (ST 9018/25) takes further steps to harmonise business reporting requirements, remove cross-border barriers and realise a data-based Single Market. Most recently, in this context, the Commission has presented a proposal for a regulation establishing European Business Wallets (ST 15701/25). Additionally, the Danish Presidency has suggested an Action Plan for a Single Market driven by business data (ST 16100/25), highlighting the steps towards net annual savings of up to **€87 billion for EU companies**¹ achieved through digital bookkeeping and e-invoicing alone.

Most burdens associated with reporting stems from manual and fragmented business-to-business data exchange processes². This calls for regulation to be designed to facilitate easy gathering, processing and sharing of necessary information for business operations and reporting.

Horizontal and long-lasting efforts for better regulation are needed to set the right framework for unlocking the potential of the above-mentioned initiatives. Achieving this includes ensuring digital-ready legislation and enabling seamless business-to-business and business-to-government data exchange and reporting.

Central instruments for digital-ready policymaking include the use of digital checks and interoperability assessments of new legislation, as set out in the Interoperable Europe Act and integrated in the Commission’s Digital-Ready Policymaking Framework. Minimum technical requirements for IT suppliers are also important to ensure system interoperability, for example, as introduced in 1) the VAT in the Digital Age package (ViDA) regarding e-invoicing and eDelivery; 2) the Ecodesign for Sustainable Products Regulation regarding requirements for Digital Product Passports suppliers; and 3) the proposal for European Business Wallets.

¹ KPMG Business case on e-invoicing (2023); PwC Revised business case for digital bookkeeping law (2024) - 32 million EU enterprises × 82 hours saved annually × €33/hour = €87 bn.

² 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)

The Better Regulation Working Party is an important forum to discuss how to best enable digital ready legislation and promote interoperability across the Union and across policy areas. Building on discussions at the Directors and Experts of Better Regulation Conference (23-24 October) as well as the Danish Presidency Action Plan for a Single Market driven by Business Data, the Presidency invites delegates to discuss the following questions:

- *How can digital checks and interoperability assessments of legislative proposals further focus on barriers to business-to-business data sharing and lack of system-to-system interoperability needed for reporting?*
- *How can the right incentives be created to ensure interoperability in business IT systems (e.g., ERP systems), while striking the right balance between mandatory measures and voluntary initiatives for IT solution providers?*

To set the scene, representatives from the Finnish Tax Administration and DG DIGIT will present relevant perspectives and initiatives.