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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:	Interoperability of real time and data-driven economy in the EU Single Market (agenda item 3.) - Non-paper

Delegations will find enclosed a non-paper by the Finnish tax administration, the Finnish patent and registration office, the Danish business authority, the Norwegian brønnøysund register centre, the Iceland revenue and customs, and the Swedish companies registration office on "Interoperability of real time and data-driven economy in the EU Single Market", as background information for 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.

Finnish Tax Administration
Finnish Patent and Registration Office
Danish Business Authority
The Brønnøysund Register Centre, Norway
Iceland Revenue and Customs
Swedish Companies Registration Office



Interoperability of Real Time and Data-Driven Economy in the EU Single Market

Purpose

The purpose of this non-paper is to underscore the benefits of the real-time and data-driven economy in the EU single market that is making it easier for European businesses to trade and report to public authorities across borders. This paper outlines some key milestones in a high-level roadmap for the potential ways forward in supporting the interoperability of national digital reporting solutions across the single market.

Real time and data-driven economy

Real time economy refers to a concept where B2B, B2C and B2G transactions are facilitated through digital platforms in a standardised content and format. Typically, real time economy consists of the following building blocks:

- Trust services like e-identification, digital signatures, digital stamps, and trusted time services
- e-documents like e-catalogues, e-orders, e-waybills, e-invoices, e-receipts, e-payments, e-salaries
- e-reporting like digital financial reporting, digital tax returns, digital customs declarations, digital statistical reporting etc.
- Technical infrastructure and services ensuring interoperability and making the exchange of the digital documents possible in a secure and traceable manner.

The key benefit of real-time economy is the ability to

- lower administrative and transaction costs and to accelerate decision-making in daily business operations
- foster the use of standardised and digital business documents and financial reporting;
- enhance the quality of the data transferred and enabling the use of once-only-principle;
- accelerate automation and streamlining of processes of all service providers - public and private - surrounding the daily business events and reporting of businesses.
- limits the possibilities for committing fraud and tax evasion.

Benefits of interoperable digital reporting requirements for businesses, public administrations and Member State economies

The digitalisation of the processes in financial administrations of businesses and digital reporting requirements towards government agencies is a development that has been gradually picking up speed throughout the European Union (and globally as well) for the whole of this millennium. Steps are being taken forward in varying pace and length.

With respect to legally required reporting towards government, in particular, the VAT-related solutions have emerged in differing shapes and forms throughout the EU. However, tax administrations are not the only public agencies that tap into digitalisation, as the development is on-going in the areas of statistics, business registries and logistics as well.

Despite the differences in the breadth and purpose national solutions, the direction is clear; businesses and governments are increasingly seeking to cut down the low-value-adding administrative work and growingly rely on digitalisation and automation throughout the world. Also, on EU-level, there is a clear push towards digitalisation and real-time economy in the form of the VAT for Digital Age -proposal.

The benefits for businesses and for the public sector are equally clear: only in Finland, the estimated benefits of fully up and running RTE-ecosystem are approximately 6 billion euros annually (roughly 0,5 % of the GDP). In Denmark the cost-savings of digital bookkeeping and annual reporting is estimated to approximately 400 million euros annually. Additionally it should be noted that, according to a study referred to be the OECD ([Tax Administration 3.0](#)), decreasing administrative work in SMEs increases business activity by 4 %.

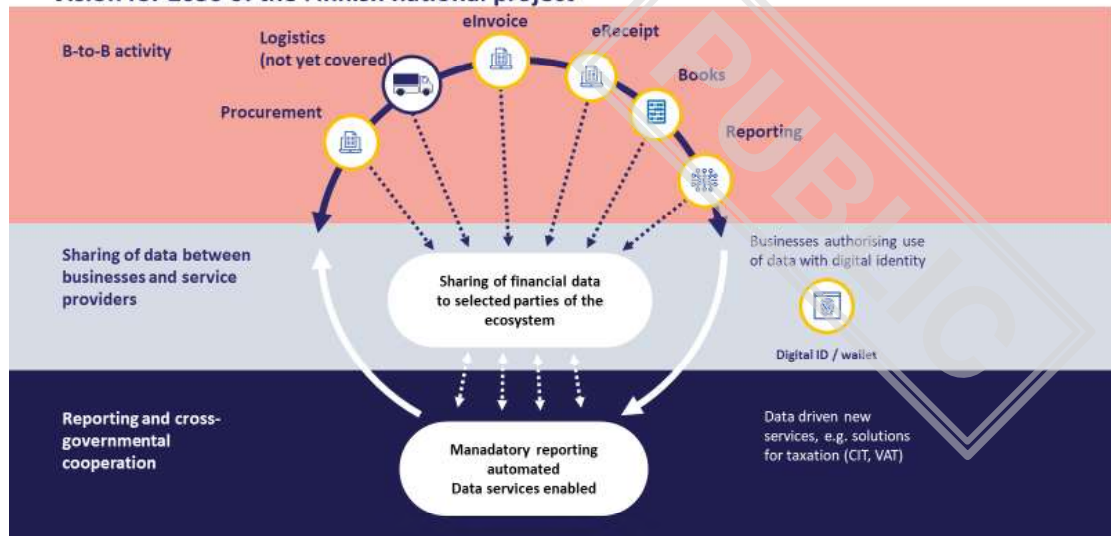
Majority of the estimated benefits stem from standardisation of data, which in turn enables multiple uses for the same data that needs to be generated only once – provided that multiple service providers (public and private) have agreed to utilise the same data content and format. True digitalisation benefits from structured data that is machine-readable. Machine-readable data allows for automated processing of the data, contributing massively to increased effectivity. Standardised data is also significantly less prone to errors and thus, need for inquiries and corrections that typically produce unwanted administrative work for each party decrease materially.

Based on standardised and structured data the processes of private sector service providers and government agencies can be largely automated. The automation and analytics will likely be supported by AI as it gets more incorporated to private and public processes. The seamless movement of key business documents from business to business by machine-to-machine communication in both domestic and cross-border relations will result in significant economic benefits. Real-time data can be utilised to speed up the processes and at best, e.g., tax reporting can be reduced to minimum as the relevant business data would be made available to authorities without separate filings. Real-time movement of business data also significantly supports the quality and reliability of the data based on which the company management operates.

Illustration of a working RTE-ecosystem and data flows (data space), in essence, a platform for transfer of standardised data.

Illustration of a Real Time Economy (RTE) ecosystem

Vision for 2030 of the Finnish national project



Real-time and data driven economy in the Nordic countries

The Finnish vision of the Real-Time Economy project ([Real time economy - Real time economy \(yrityksendigitalous.fi\)](https://www.yrityksendigitalous.fi)) is a national digital ecosystem for businesses, business and financial administration service providers as well as for government agencies. The ecosystem being created will allow seamless, real-time and secure movement of standardised and structured orders, e-invoices, digital receipts and financial data between parties. The project was launched in 2021 and it will run until the end 2024. During the coming years, the core elements and standards defined in the project will be further developed into a fully functioning ecosystem, aimed to be up and running in 2030.

In Denmark the government has taken serious steps to promote digital bookkeeping paving the way for automated business reporting. In 2022 the government adopted a new Bookkeeping Act making it mandatory to apply digital bookkeeping by use of digital bookkeeping systems and standards for exchange of financial data. The next step is to take advantage of the digital foundation and promote the use of eInvoicing B2B.

The Nordic cooperation under the Nordic Smart Government and Business -project ([Nordic Smart Government and Business](#)) seeks to advance the interoperability of the movement of the basic business documents and trade register data within the Nordics in the interest of enhancing the possibilities for the businesses to expand their operations in the Nordic countries. For businesses, naturally, the business opportunities are not limited to Nordic countries only but seeking possibilities to branch out to other jurisdictions within the single market is a natural progression.

Real time and data-driven economy is essential for the Single Market

Elements of real-time economy already play a significant role in the modern current business landscape within many member states of the European Union (EU). However, the technical specifications and requirements for businesses vary from MS to MS, thus, the differing solutions require implementing varying national regulations and requirements into financial software and ERPs of the businesses to remain compliant, leading to significant additional costs and administrative burden. The continuous development of the reporting practices for businesses requires time and resources – by enhancing automation in existing practices, resources will be made better available

for additional tasks. In practice the situation is allowing a digital barrier of trade to be formed within the Single Market.

In this day and age, the EU should do its utmost to ensure that European businesses have the best abilities to foster and grow within the Single Market. Leaving the situation as it is would seem counter-intuitive to the very core principles upon which the European cooperation is built. Unleashing the full potential of the single market would enhance the ability of the EU to operate in the global market through increased competitiveness and profitability of its businesses, hence, contributing to the strategy goals regarding the economic security of Europe.

To tackle this issue, the EU should address the interoperability of the real-time economy related solutions in a manner that would enable the European businesses to implement the necessary requirements for mandatory digital reporting only once, allowing them to operate consistently across the entire single market, reducing costs and simplifying the process of entering new markets at the same time promoting the functioning of the single market as a whole.

High level road map towards interoperability

The issue of advancing interoperability of the real time economy would well fit under the supervision and guidance of a vice president of the Commission college. This would ensure that there would be sufficient political power to achieve the required joint efforts by differing, relevant directorate-generals within the Commission.

Thus far the identified DGs and legislative initiatives are:

- DG GROW:
 - [Your Europe/SDG/OOTS](#) as means to answer growing **concern over increasing administrative burden** and cost for businesses operating cross border in the Single Market
 - Recognize that differing local digital reporting requirements create **barriers for trade**
- DG CONNECT:
 - [Common European Data spaces](#) as means for data sharing and **compliance as well as interoperability cross-domain and cross-border**
 - Common open infrastructure building blocks and cloud-to-edge middleware (DSSC, eDelivery, SIMPL, eIDAS/EUDI) as **practical means to facilitate data sharing**
- DG DIGIT
 - Common European public administrations data spaces to provide **data sharing needs for procurement, public services** (EIF/Interoperable Europe Act, eGovernment) and once **only access for citizens and businesses** (SDG)
 - Enhance **secondary use of public sector data** for innovation
- DG FISMA
 - Digital finance strategy addressing **reporting requirements and open financing data needs**
 - **CSRD reporting requirements and standardised product information** in the Digital Product Passport (DPP)
- European Committee for Standardisation
 - Standardisation work relating to eInvoices, eReceipts and Digital Product Passport

The first step should be to establish clear policy goals to achieve the assumed benefits of interoperable RTE-solutions across the union. Needs for EU legislative changes would need to be identified in order to ensure the adoption and unified use of the required standards and practices that enable the interoperability within the EU.

The general policy goal to reduce regulation and administrative burden should not be seen as conflicting with the pursuit of interoperability with regard to real-time economy. Achieving the interoperability may as such necessitate additional regulation, but that does not result in additional administrative burden. On the contrary, successful implementation of regulations that enable the interoperability is primarily aimed at reducing the actual, daily administrative burden for businesses operating across the borders of the Single Market.

Secondly, it would be important to **identify the useful existing standards and practices** and deciding, e.g., on the **obligation to include these standards** (e.g., UBL, UNCEFACT, XBRL) in respective national service solutions.

Thirdly, as there is no one-size-fits-all solution, a **common semantic data model for basic business documents and financial data should be created**. This would include creation of common vocabulary based on defined common concepts as well as mapping the vocabulary to external reference vocabularies. Dataset specific data models should be defined by specialising common vocabulary components. Access to high-value datasets should be commonly defined.

European Data Governance Act and development work related to data spaces will likely provide framework for already tried and tested ways to stipulate interoperability of the key business data. Above discussed endeavours for interoperability will also advance the goals of opening the data in accordance with the Data Act. Therefore, RTE should also be established as an item to the work plan of EDIB and ICT standardization working groups. The possibility to include this to Digital Europe and/or Horizon Europe programmes should be explored.

Fourthly, access to data and data sharing should be enabled system-to-system within the economic data ecosystem. In this respect, a de minimis set of technical specifications for APIs/data transfer should be established.

All of the above should be accompanied by the EU digital wallet for businesses, in the interest of securing secure identification and data transfer. Digital wallet solution for businesses is currently being evolved under the European Wallet Consortium in connection with further eIDAS-development.

Further areas of application

As we speak, there are already plans being made to widen the use of the RTE-ecosystem. Logistics and product information data is a natural continuation for the already covered business processes.

ESG-reporting could also be based on data points included in the standardised basic business documents and would enable the seamless flow of data, resulting in turn in

enhanced effectivity and productivity. RTE-data as such has already seen to have use in know-your-customer -type of services that could be facilitated through the ecosystem. Supporting responsible business and thus, enhancing the level playing field, in particular, for SMEs is a natural and significant by-product of this development.

Given the key goal of automating government and business administration processes, the use of AI will undoubtedly play a significant role in data processing and perhaps, in the decision-making as well. AI will also ease the work required for data mapping in terms of semantic data model. Given the sensitivity of the data covered by the RTE, the standards and practices in connecting AI to RTE would need to be monitored throughout the EU.

Towards a connected data economy in the EU

Advancing a connected and streamlined data economy within the EU single market is crucial for unlocking the many opportunities. By standardizing and streamlining cross-border data interoperability, the EU can automate digital business reporting, reducing administrative burdens significantly and enhancing competitiveness, ultimately benefiting businesses, public administrations, and citizens across the EU.

To reap the many benefits of a connected data economy and automated business reporting, we urge the EU Commission to take action and launch a horizontal 'regulatory package'.

Ensuring that EU regulations and reporting requirements are 'fit for digitalisation'

- Ensure that digital reporting solutions are available before introducing new reporting requirements under EU regulations. VIDA could serve as a good example defining the digital infrastructure for cross-border VAT reporting.
- In addition, existing legislation should be reviewed to identify reporting requirements that can be met digitally and automatically.

Defining common standards and data formats for digital reporting

- When introducing digital reporting requirements, the EU should define common standards for reporting formats and, where possible, input data for reporting. It is crucial that existing formats, such as - but not limited to - XBRL and CEF building blocks, are reused.
- Define standardised data formats for sustainability-relevant data – data formats which can be used for B2B data sharing and collection towards sustainability reporting.
- A starting point could be e.g. to add new standardised data fields for fundamental product attributes to eInvoices and eCatalogues on standardised products codes (e.g. UNSPSC, TARIC), physical units, CO2, Digital Product Passport URL, etc.) to increase quality and availability of data needed by companies for reporting.

Defining common minimum requirements for ERP-systems offered in the Single Market

- Increase the application of digital business systems among European SME's. (e.g. through allocated funding from Digital Europe Programme)
- Promote investments in digital reporting solutions among public authorities (e.g. through allocated funding from Digital Europe Programme)
- Promote minimum requirements for digital business systems to ensure interoperability and automation.

Establishing a common interoperable European open data exchange infrastructure

- Establish a common, interoperable European open data exchange infrastructure by mandating the utilizing of existing CEF Digital building blocks and e-Delivery principles for data sharing and e-reporting, as this is key to keeping infrastructure truly open and without vendor lock-in.

The Commission must take the lead

The European Union must prioritize the fostering of a real-time economy within the Single Market, recognizing the potential benefits for the smooth functioning of the market and for enhancing the competitiveness of Europe. To achieve this, it is essential that all relevant parties, including the EU and its institutions, Member States and their governments, businesses, and all other stakeholders, work together towards a shared vision of a Real-Time Single Market. This leads to the minimization of business transaction costs and significant burden reduction for businesses complying with reporting requirements across borders through the implementation of consistent and coherent rules for conducting business within the single market, supported by legal, organizational, semantic, and technical interoperability.

To enhance the further development, innovation, and growth of the Single Market, the EU and Member States must coordinate efforts to establish the necessary conditions for simplifying the rules for doing business and minimizing transaction costs in the single market through digitalization by implementing appropriate regulatory frameworks, standards, common processes, and systems related to real-time economy. This coordination and cooperation should be led by the EU and the Commission. It seems apparent that a particular attention should be paid on how the above work would be organised and lead in the Commission, given the inter-DG-nature of the envisaged work; this could entail e.g., a centralised function within the commission in the interest of ascertaining the work being conducted towards the joint vision of the well-functioning internal market of the EU.

The initial measure towards achieving a single market -level real-time economy could entail conducting a comprehensive examination of the advantages of a real-time economy within the single market. Such analysis could be followed by a policy discussion and decision on the way for establishing the EU-wide goals towards which the development on RTE should travel. A comprehensive study of the on-going and envisaged policy initiatives should likely also take place in the interest of ensuring the interoperability of the differing - above itemised - EU-regulations, -policies and -measures in the area.

These analysis and studies would indicate the eventual need for additional regulation or solutions to reinforce the interoperability of the existing initiatives with the aim of the EU-policies and practices creating a coherent whole.

The key goal would need to be the creation of standardised framework within which the businesses could limit their IT/ERP-investments to a one-size-fits-all -solution that would allow for entering other MSs within the single market without the need to calibrate the software/data to serve the local requirements.

The goals are probably not reached on voluntary basis only. Mandatory use of the standards ensuring interoperability could advance gradually – the first step could be to obligate public administration to have the capabilities to receive the documents and data following the standardised practices. This approach was successfully applied in connection with eFTI.

All of the above would aim to secure and increase the functioning of the internal market and the well-being of the business in the European Union as well as of its citizens.

Contact Sami Koskinen
Director, Finnish Tax Administration
+358-40-719 32 39
sami.koskinen@vero.fi