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WORKING PAPER

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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:	Enhancing EU competitiveness through a Real Time and Data-Driven Economy (agenda item 3.) - Executive summary

Delegations will find enclosed an executive summary of the 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.

Executive Summary, December 18, 2024 Non-paper by

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

Enhancing EU competitiveness through a Real Time and Data-Driven Economy

Europe is finding itself in increasing competition with other regions of the world and must maintain a robust and future-proof economy that secures long-term European prosperity and competitiveness.

To be competitive on the global market it is pivotal that European businesses are at the forefront of the digital transition, taking advantage of a real-time and data-driven economy for the better of our businesses. To ensure this, the EU should build a future where businesses are in the driver's seat, managing their own data and with the capability to share their data in an easy and secure way with other businesses, consumers and authorities alike. A real-time and data-driven future will enable our companies to comply with reporting requirement in an easy, digital and problem free way, thus reducing burdens for businesses for billions of EUR. This future is achievable. And it should be built in Europe.

The EU has already developed the needed digital building blocks to enable smoother data exchange. However, lack of references to these common building blocks in EU legislation results in varying technical specifications and requirements across Member States, which present challenges to interoperability, hindering the full realization of a data driven economy. This has created a fragmented digital reporting landscape and are causing significant administrative burdens for businesses.

This non-paper outlines a strategic roadmap for advancing data interoperability within the EU Single Market, removing barriers essential for enhancing competitiveness and promoting economic growth through digitalisation.

The Nordic countries are paving the way for data interoperability

Important steps have already been taken by the Commission and the Member States to promote a Digital Single Market and cross-border interoperability based on European principles and building blocks. Experiences from the Nordic countries demonstrate the huge potential economic impact of interoperability initiatives in the EU.

With the Digital Decade the Commission has set ambitious goals for the digital agenda for Europe towards 2030 and launched a number of initiatives and legislations promoting a connected data economy in Europe. For instance, the European Data Act promoting common European data spaces as means for data sharing and compliance as well as Interoperable Europe Act promoting interoperability and a cross-border, open infrastructure based on common building blocks and cloud-to-edge middleware (eDelivery, eIDAS/EUDI) facilitating data sharing.

In 2021, Finland launched a vision for a Real-Time Economy promoting a national digital ecosystem for businesses, digital 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. 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. The cost-savings for Finnish businesses is estimated to EUR 5,8 bn per year.

In Denmark, the government has taken serious steps to promote a connected and data-driven economy with the aim of making it easier for businesses to share data and comply with reporting requirements to public authorities. In 2022, the Danish government adopted a new Bookkeeping Act making it mandatory to apply digital bookkeeping with the use of registered digital bookkeeping systems and standards for exchange of financial data. The next step is to take advantage of this digital foundation and promote the

use of eInvoicing, B2B, paving the way for automated business reporting. The cost-savings for Danish businesses is estimated to approximately EUR 400 million per year. With the widespread use of eInvoicing B2B the potential cost-savings due to automated data processes are even bigger.

With the vision of being the most integrated region in the world, the Nordic countries have worked together through the programme Nordic Smart Government and Business to make it easier for businesses to operate and exchange business data across borders. The aim of the program is to further integrate the Nordic market, advancing the competitiveness and reducing burdens for businesses.

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 strategy.

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.

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.

As a starting point, actions exploiting the untapped potential of data should be included in the mission letters for the relevant new Commissioners. Additionally, a key priority in the New Horizontal Single Market Strategy should be to reduce burdens for businesses via digitisation and automation of administrative processes.

The EU must take a leading role in developing the data economy of the future. Comprehensive analysis, close stakeholder involvement, and potential regulatory measures are necessary to achieve interoperability. A coordinated approach to make the Single Market ready for the digital future is pivotal for strengthening the EU's competitiveness, fostering innovation and sustaining economic growth.