Action Plan

for a Single Market driven by business data

Danish Presidency
Council of the European Union

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 European Commission highlights the significant potential of digitalisation to enable the swift and effective operation of businesses, creating a true digital and data-driven Single Market.

To strengthen EU's competitiveness, we need to deliver on two key objectives:

- **Simplification and streamlining of EU regulation**, supporting effective compliance and reducing burdens.
- **Realisation of a data-driven single market**, building on standardisation, digitalisation and automation.

In addition to the simplification Omnibus Packages, the Single Market Strategy and the European Data Union Strategy, this Action Plan calls for a long term and continuous effort to remove barriers for business-to-business data exchange and to build a coherent digital ecosystem for EU business solutions.

The problem
The challenge is that most EU businesses still handle data manually and that reporting requirements are often overlapping, fragmented and not aligned with the everyday processes of European businesses and their digital systems. It is not the reporting activity in itself that is the most burdensome for businesses, but the business-to-business data exchange leading up to reporting.

Business-to-business data exchange accounts for 80-90 percent of the costs associated with business-to-government reporting. This includes the tasks of gathering relevant data across value chains, processing the data across business systems and validating and sharing data with relevant stakeholders.

The Solution
Having businesses' own data flows and IT systems at the centre of attention, the European Commission and Member States must commit to a well-coordinated collaboration with the private sector to adopt **a paradigm shift from a paper-based Single Market toward a data-driven Single Market**.

€87
billion

This is how much EU-companies can save annually by using digital bookkeeping and e-invoicing.

> In this way the average business owner can spend less time on bookkeeping and more time doing what they are passionate about: **Improve products, serve customers and grow their business**

Digitising, standardising and automating businesses' own 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 could deliver **net annual savings of up to €87 billion for EU companies**[1], even after accounting for required investments.

Digital bookkeeping and eInvoicing should be the starting point, and then progressively move on to product data, sustainability data and circular data - harvesting the benefits along the way.

Executing this Action Plan does not require building new costly digital infrastructures or IT systems – **the EU digital building blocks already exist**. It will require that companies use digital business systems, such as digital bookkeeping or eInvoicing, and that these systems can seamlessly interact and communicate with each other.

In order for this to work, existing EU digital building blocks must be used to build a coherent ecosystem of digital business systems. This will enable companies to share and process real-time business data in a decentral, seamless and safe way with other businesses, investors or public authorities.

At the heart of this effort is **the digital transition of European SMEs**. While on-the-shelf solutions are available for SMEs today, the digital transition depends on a higher level of digital investments as well as a minimum level of interoperability among digital business systems available in the Single Market.

At a practical level, many of the tasks that SMEs do every day such as invoicing their customers would be done automatically by their digital system. In this way the average business owner can spend less time on bookkeeping and more time doing what they are passionate about: **Improve products, serve customers and grow their business**.

Digitisation and automation do not come without risks and cybersecurity is a concern for SMEs. Introducing minimum technical requirements for transparency and cybersecurity in digital business systems will enhance the trust and uptake. This will ensure that SMEs can feel safe to store their data in the cloud and share it with consent to verified partners.

While the cost savings from automation of business processes, real-time sharing of business data and automated reporting will off-set the costs for SMEs to acquire or change digital systems, **a targeted effort to guide and support the digital transformation of SMEs is needed**.

IT solution providers must offer user-friendly systems that meet the needs of SMEs to easily handle data for core business activities and reporting. This will reduce the need for SMEs to have advanced digital skills and reflect the different levels of maturity between companies and Member States.

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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.

Technical guidelines for developing IT solutions should be provided at European level while the direct support for SMEs should be at national and local level, e.g. through digital vouchers for software solutions such as eInvoicing and Digital Product Passports.

The task is about building true **interoperability**: *Legally* setting common rules for data sharing, *organisationally* making sure systems follow the same procedures and governance, *semantically* making sure we define and understand data in the same way, and *technically* that systems can exchange data through standardised data formats. This must be the foundation for IT providers to deliver market-driven solutions to EU companies and SMEs. To achieve the goal of a data-driven Single Market, all relevant parties, including the EU and its institutions, Member States, businesses, IT providers and all other **stakeholders, must work together**.

Action plan

Actions to realise key steps

The European Commission is invited to take the lead going forward, and by June 2026, present its existing and planned initiatives for the coming years to enable secure, seamless and automated business-to-business data exchange. Realising this vision will require coherent planning and implementation across relevant policy areas.

This **action plan presents five key steps** toward a data-driven Single Market:

1.
Digital ready legislation

Key step:

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.

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. This should be done by including digitising requirements for businesses and consider B2B interoperability assessments as part of the impact assessment.

Actions:	Responsibility and timeframe
Digital product passports by default for product information and gradually make it the default data carrier for companies to disclose product information, streamlining disclosure requirement across product legislation (*Omnibus proposals & upcoming NLF revision Q3 2026*).	EC, EP, Council (2026)
Wallet by default for trustworthy and secure sharing of business data in EU legislation utilising both EUDI Wallet and Business Wallets. These wallets must be designed to ensure interoperability with existing national and business digital solutions (*eIDAS2 delegated acts and European Business Wallet proposal Q4 2025*).	EC, EP, Council (2025)
Screen the acquis for digital readiness for existing legislation by reviewing and identifying reporting requirements that can be simplified and underpinned through digitalisation and automation.	EC (2026-2030)
'Digital ready' legislation from the get-go where future legislation is scrutinised and analysed to ensure that it is based on a common semantic foundation to be 'digital ready' and allow for automation, including B2B interoperability assessments	EC (2026-2030)

2.
Access to **trustworthy and qualified data**

Key step:	**Actions:**	**Responsibility and timeframe**
For EU companies to effectively measure and share sustainability data – meeting both EU and national sustainability reporting and product disclosure requirements – access to trustworthy, authoritative and comparable data is needed. This requires available high-quality data such as carbon emission factors and biodiversity metrics, and establishment of semantically interoperable and standardised 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 from gathering and validation of sustainability data.	**Expand EU data spaces and the open data directive ensuring** easy access to trustworthy data (*European Data Union Strategy Q4 2025*).	EC, EP, Council (2026)
	Make data needed for sustainability reporting more accessible on both product and company level (*European Data Union Strategy Q4 2025*).	EC, EP, Council (2025)
	Establish an EU CO2e emission factor database reducing burdens from B2B gathering, sharing and validation of CO2e emission data.	EC (2026-2030)
	Develop lacking ESG methodologies in close dialogue with the private sector and ensuring alignment of data definitions.	EC (2026-2030)

3.
Harmonised and **standardised data formats**

Key step:	Actions:	Responsibility and timeframe
Harmonised and standardised data formats Companies often handle their business data in manual formats like PDFs that are not machine-readable and hinders real-time data sharing across value chains and automated reporting. It is essential to promote machine-readable data formats making it easier for companies to collect and share business data in their digital systems. This can be achieved by ensuring that reporting requirements use structured and standardised data formats that are semantically interoperable – reducing costs and increases scalability for B2B data sharing.	**Harmonise data formats** that are machine-readable and interoperable on all levels – *legal, semantic, technical* and *organisational* - across member states for B2B data sharing and business reporting.	EC, national authorities, private sector (2026-2030)
	Define harmonised and standardised data formats when introducing new reporting requirements in close dialogue with the private sector.	EC, national authorities, private sector (2026-2030)
	Develop standardised data formats across the whole business ecosystem.	EC, High-Level Forum for Standardisation, national authorities, ESOs, private sector (2026-2030)
	Reuse existing data and data formats for other B2B data sharing and reporting needs by introducing new harmonised data fields in existing formats to enable automated reporting, e.g. new data fields on CO2e emissions and links to DPPs in business documents throughout the supply chain (*eInvoice Regulation, pilot on eInvoicing and sustainability reporting 2026*).	EC, EP and Council (2026)
	Offer a common digital format for the voluntary SME standard.	EFRAG & national authorities (2025)

4. **Minimum** technical requirements

Key step:	Actions:	Responsibility and timeframe
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. Introducing minimum technical requirements for transparency and security for digital business systems will enhance the trust and uptake of those systems, making sure that SMEs can feel safe to store their data and share it with consent with verified partners. This is the foundation for IT providers to deliver market-driven and interoperable solutions for all EU businesses across the Union.	**Set legal minimum requirements for business system providers' digital solutions ensuring transparency and trust.** This includes minimum requirements for methodologies, definitions, functionalities, data standards, semantic interoperability, protocols, ownership, integration, and portability. **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 (2026-2030) European Commission, national authorities, IT system providers (2026-2030)

5.
Open and common **EU business data exchange infrastructure**

Key step:	Actions:	Responsibility and timeframe
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. Building on existing infrastructures, such as the CEF building blocks, OpenPeppol and the future European Business Wallet, a long-term open business data exchange infrastructures 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. **Mandate the use of EU digital building blocks for cross-border reporting and business data exchange** facilitating seamless sharing of reporting and business data across borders, supported by funding opportunities.	EC, national authorities, private sector (2026-2030) EC, national authorities, private sector (2026-2030)

Background analysis

Challenges with the current data sharing landscape

The current business-to-business data sharing landscape is fragmented within and across Member States. Companies still handle data, such as invoices and product data sheets, manually. Most data are shared in emails and processed in excel spreadsheets. Reporting requirements are often overlapping, fragmented and not aligned with everyday processes and businesses IT systems.

It is not the reporting activity itself that is the most burdensome for businesses, 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. Business-to-business data exchange account for 80-90 percent of the costs associated with business reporting to governments.[2]

For each procurement and similar business activities, companies end up repeating tasks thousands of times where data – without common definitions – are 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.[3]

The potential for a data-driven Single Market is significant. Danish business cases demonstrate that mandating the use of digital bookkeeping and e-invoicing needed for financial reporting can reduce the burdens from business-to-business data exchange by about 40%. This corresponds to 82 work hours saved per company annually[4]. Extrapolated to the EU, this equals potential yearly net savings of €87 billion for European companies.[5]

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.[6] Reaping the benefits from digitalisation thus depends on SMEs acquiring digital business systems stressing the need for assisting the digital transition for SMEs.

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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)

3 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).

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

5 32 million EU enterprises × 82 hours saved annually × €33/hour = €87 bn.

6 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)

The reality is that companies do not have the time nor resources to allow for the 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. Business reporting needs to become an automated side product of the digital core business activities.

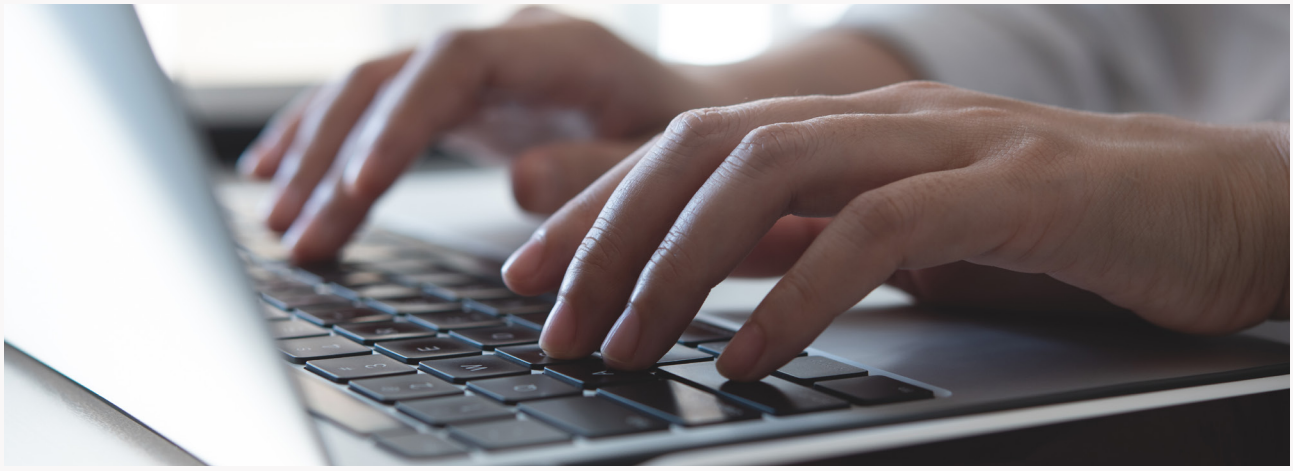
Fortunately, the benefits from acquiring digital business systems offset the initial transaction cost for businesses. The Danish experiences with introducing mandatory digital bookkeeping showed that the transaction cost for Danish companies was €74.6 million in one-off cost and €14.8 million in recurring 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.[7]

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 upcoming initiatives with already established digital tools for business-to-government and government-to-government data exchange, 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 data 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 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.



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

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 means the same across companies and member states, data flows real-time in a seamless and automated digital ecosystem for business data built on *legal, organisational, semantic* and *technical* interoperability 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.