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COMMISSION STAFF WORKING DOCUMENT
Accompanying the document

Proposal for a Regulation of the European Parliament and of the Council

on the establishment of European Business Wallets

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Glossary

Term or acronym	Meaning or definition
AML	Anti-Money Laundering
EAA	Electronic Attestations of Attributes
eID	Electronic identity
eIDAS	Electronic IDentification, Authentication and Trust Services
EO	Economic Operator
ERDS	Electronic Registered Delivery Service
EUBW	European Business Wallets
EUDIF	EU Digital Identity Framework
EUDIW	EU Digital Identity Wallets
EUIBA	European Union Institutions, Agencies, Offices and Bodies
EUID	European Unique Identifier
GDPR	General Data Protection Regulation
LoA	Level of assurance
PSB	Public Sector Body
QTS / NQTS	Qualified Trust Service / Non-Qualified Trust Service
QTSP / NQTSP	Qualified Trust Service Provider / Non-Qualified Trust Service Provider

1. INTRODUCTION: POLITICAL AND LEGAL CONTEXT

The EU's **Strategic Agenda 2024-2029** calls for an ambitious reduction in bureaucratic and regulatory burdens as well as the simplification and digitalisation of administrative procedures to allow businesses to flourish, particularly taking account of the needs of SMEs[1]. In September 2024, the European Council reiterated this commitment by calling for more efforts to enhance the EU's competitiveness, notably in light of the challenges identified in the **Letta**[2] and **Draghi** Reports[3].

These priorities of simplification, administrative burden reduction for businesses and improved regulatory compliance are reflected in the **Political Guidelines** for the 2024-2029 European Commission. Drawing on the findings of the Letta and Draghi Reports, the Guidelines highlight the need to make doing business in Europe easier, faster and less costly. Simplification of the regulatory environment is a key horizontal enabler for addressing constraints to growth.

The priorities of simplification and administrative and regulatory burden reduction were reinforced in the March 2025 European Council[4], specifically calling on the Commission and the co-legislators to work towards achieving the target of reducing the cost of all administrative burdens by at least 25 %, and by at least 35 % for SMEs. In June 2025, the European Council stressed the need for 'simplicity by design' to ensure a clear, simple, smart, innovative and SME-friendly regulatory framework, without undermining predictability, policy goals and high standards[5].

Simplification and burden reduction are not merely about lowering costs, but also improving the quality of doing business. Simpler procedures with fewer bureaucratic steps and complexities allow businesses to focus on generating sales and innovating, with accelerated product development. Lower entry barriers, particularly across borders within the Single Market, can stimulate greater competition, enhancing not just the dynamism of the European market but also its international standing. The Draghi report notes that remaining trade frictions in the Single Market account for around 10% of unexploited potential GDP in the EU[6]. Or, as President von der Leyen put it in her State of the Union address 2025, "Our Single Market is far from complete. Internal barriers within the Single Market are equivalent to a 45% tariff on goods and a 110% tariff on services says the IMF. This cannot be. It should not be easier to find fortune across an ocean, than across European borders."[7] By shifting entrepreneurs' and SMEs' focus to their core business, instead of on administrative and regulatory compliance, productivity is enhanced and greater participation in the Single Market is encouraged. It is not just businesses that stand to benefit. Enhanced efficiency allows public administrations to be more agile, responsive and supportive of businesses. The use of robust digital tools, and the move to 'digital-by-default' to achieve these ends are central and critical success factors to achieving these ambitions and revitalising Europe's economy and enhancing its digital sovereignty.

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[1] European Council, Strategic Agenda 2024 – 2029

[2] Much more than a Market, Enrico Letta, 2024; this high level report was commissioned by the European Council in response to the Commission Communication 'The Single Market at 30'. The Council called for ambitious action to complete the Single Market and, in particular, for work to be advanced in simplifying the general regulatory environment and reducing the administrative burden to businesses.

[3] The future of European competitiveness, Mario Draghi, 2024; the report stressed amongst other things the importance of regulatory burden reduction on companies, with 55% of SMEs flagging regulatory obstacles and the administrative burden as their greatest challenge.

[4] European Council Conclusions, 20 March 2025, EUCO 1/25

[5] European Council Conclusions, 26 June 2025, EUCO 12/25

[6] Draghi report, Part A: p.17, footnote ix

[7] https://commission.europa.eu/strategy-and-policy/state-union/state-union-2025_en

With increased digitalisation across all sectors of the economy, businesses and the public sector demand trust, reliability, and interoperability. To underpin this, Europe requires robust digital public infrastructure, characterised by common standards, interoperable frameworks, and secure mechanisms for exchanging verified information. These provide the foundational elements that enable secure, legally recognised digital interactions across sectors and national borders, which in turn simplify compliance obligations, streamline administrative tasks, and support efficient business operations and innovation throughout the Single Market.

Under the Digital Decade Policy Programme, the EU has adopted measures to empower people and businesses to benefit from a human-centric, sustainable and prosperous digital future. Ensuring access to digital identities for all and enabling their use has been identified as a key enabler to support many of the initiatives set out in the Digital Decade Communication[8]. This includes the targets to digitally transform businesses and public services. Reducing the need for travel and relying instead on the use of electronic identities, the provision of electronic attestations of attributes and electronic signatures and seals to access services and conclude agreements at distance aligns with the EU's climate goals, transforming the EUs economy for a sustainable future. While the **State of the Digital Decade 2025** report notes the progress achieved in respect of the EU Digital Identity Wallets to provide citizens with a secure and user-controlled tool to prove their identity, share documents, and sign digitally, it also notes that all metrics covering the digitalisation of businesses fall short of their intended targets, especially around SME digital intensity and cloud take-up[9].

To address these priorities, the European Commission adopted *A Competitiveness Compass for the EU*[10] and *A simpler and faster Europe*[11] in early 2025. These Communications called, amongst others, for the establishment of European Business Wallets (EUBW) as the cornerstone of doing business simply and digitally in the EU. The **Competitiveness Compass** recognised the significant challenges that regulatory fragmentation and administrative complexity continue to pose for start-ups, SMEs, and innovators[12]. The Commission Work Programme for 2025[13] includes the EUBWs as a tool to simplify business-to-business and business-to-government interactions, facilitate secure data exchange and unlock new business opportunities.

The Commission's **Single Market Strategy**[14] calls for more effective digitalisation in the EU, with Member States and the EU collaborating closely to enable the optimal functioning of the Single Market, to speed up doing business and making it easy to grow, all of which goes hand in hand with the European ambition to simplify by reducing red tape and administrative burden. In particular, this means shifting from a document-based to a data-based Single Market, resulting in the (automated) exchange and sharing of digital data for reporting purposes through secure, interoperable solutions.

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[8] 2030 Digital Compass: the European way for the Digital Decade (COM (2021) 118 final)

[9] State of the Digital Decade 2025: *Keep building the EU's sovereignty and digital future*

[10] European Commission (2025), *A Competitiveness Compass for the EU* (https://commission.europa.eu/topics/eu-competitiveness/competitiveness-compass_en).

[11] European Commission (2025), *A simpler and faster Europe: Communication on implementation and simplification* (https://commission.europa.eu/document/download/8556fc33-48a3-4a96-94e8-8ecacef1ea18_en?filename=250201_Simplification_Communication_en.pdf).

[12] European Investment Bank, EIB Investment Survey 2024 European Union overview, 2024: according to the EIB survey, European Union firms are more likely than their US counterparts to view business regulations as a significant obstacle

[13] European Commission (2025), *Commission Work Programme 2025 – Moving forward together: A Bolder, Simpler, Faster Union* (https://commission.europa.eu/strategy-and-policy/strategy-documents/commission-work-programme/commission-work-programme-2025_en).

[14] European Commission (2025), *The Single Market: our European home market in an uncertain world. A Strategy for making the Single Market simple, seamless and* strong; (COM(2025) 500 final)

The initiative would be a key component of realising these ambitions. In addition, the **EU Startup and Scaleup Strategy ("Choose Europe to Start and Scale")**[15], explicitly supports the creation of the European Business Wallets, recognising that a business-friendly, digital-first regulatory environment is essential to support the launch and growth of startups and scaleups.

In July 2025, the European Parliament's Committee on Internal Market and Consumer Protection (IMCO) adopted an own-initiative report on strengthening the EU's Single Market rules[16]. The report called on the Commission to continue exploring ways to streamline access to information, administrative procedures, and assistance services for businesses, particularly SMEs, by leveraging digital public infrastructure such as the EU Digital Identity Wallets and the upcoming European Business Wallets. The report further highlighted that data sharing and reporting requirements should be data-driven and automated, and recommended the development of a single IT tool with harmonised reporting formats and interfaces across Member States. The IMCO report also acknowledged the Commission's intention to establish a new EU-wide '28th legal regime' to foster a more favourable business environment, especially for SMEs and startups. It noted that the European Business Wallets could support the implementation of this regime by enabling trusted and streamlined cross-border digital interactions for economic operators.

The European Business Wallets will build on and extend the ecosystem of trust established under the **European Digital Identity Framework**, established by Regulation (EU) 910/2014 on electronic identification and trust services for electronic transactions in the internal market[17], as amended by Regulation (EU) 2024/1183[18] (including adopted implementing acts). Seamless digital identification and authentication enable the secure, cross-border access to digital services and the sharing of data, attributes and other trust services with legal effect across the EU, further supporting the Single Market Strategy mentioned above.

The European Digital Identity Framework establishes the **EU Digital Identity Wallets** and provides the foundational legal and technical framework to ensure that digital identity solutions are interoperable, secure, and widely accepted throughout Europe. The European Business Wallets will build on this foundation and introduce functionalities tailored explicitly to business contexts. They will allow businesses to securely identify themselves, manage and exchange electronic attestations of attributes, such as regulatory licenses, VAT registrations, and compliance certificates, and engage digitally with other economic operators and public authorities. This approach will not only help to simplify complex administrative tasks, lower compliance costs, and improve interoperability, but also combat fraud and strengthen cybersecurity, enabling businesses to operate more effectively, resiliently and confidently across Europe's digital single market. In doing so, the European Business Wallets will provide a significant contribution towards meeting the European Council's goals to bring down regulatory and administrative burdens, as well as to drive digital transformation at scale.

This proposal aligns itself with, and can facilitate the uptake of, other important strategic digitalisation initiatives aimed at streamlining data exchange and digital reporting. These include the Single Digital Gateway, the Digital Product Passport (DPP), the Interoperable Europe Act, the 28th regime and EU company Law, and the VAT in the Digital Age package. As the Single Market

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[15] Communication "The EU Startup and Scaleup Strategy" https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1350

[16] European Parliament, press release 15 July 2025, Streamlining and strengthening the EU single market ('INI on Simplification').

[17] Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC

[18] Regulation (EU) 2024/1183 of the European Parliament and of the Council of 11 April 2024 amending Regulation (EU) No 910/2014 as regards establishing the European Digital Identity Framework

Strategy notes, these initiatives will collectively establish a cohesive ecosystem of digital solutions designed to create synergies that facilitate and simplify doing business in the EU and, more broadly, foster greater economic integration and drive innovation throughout Europe.

2. PROBLEM DEFINITION

2.1. What are the problems?

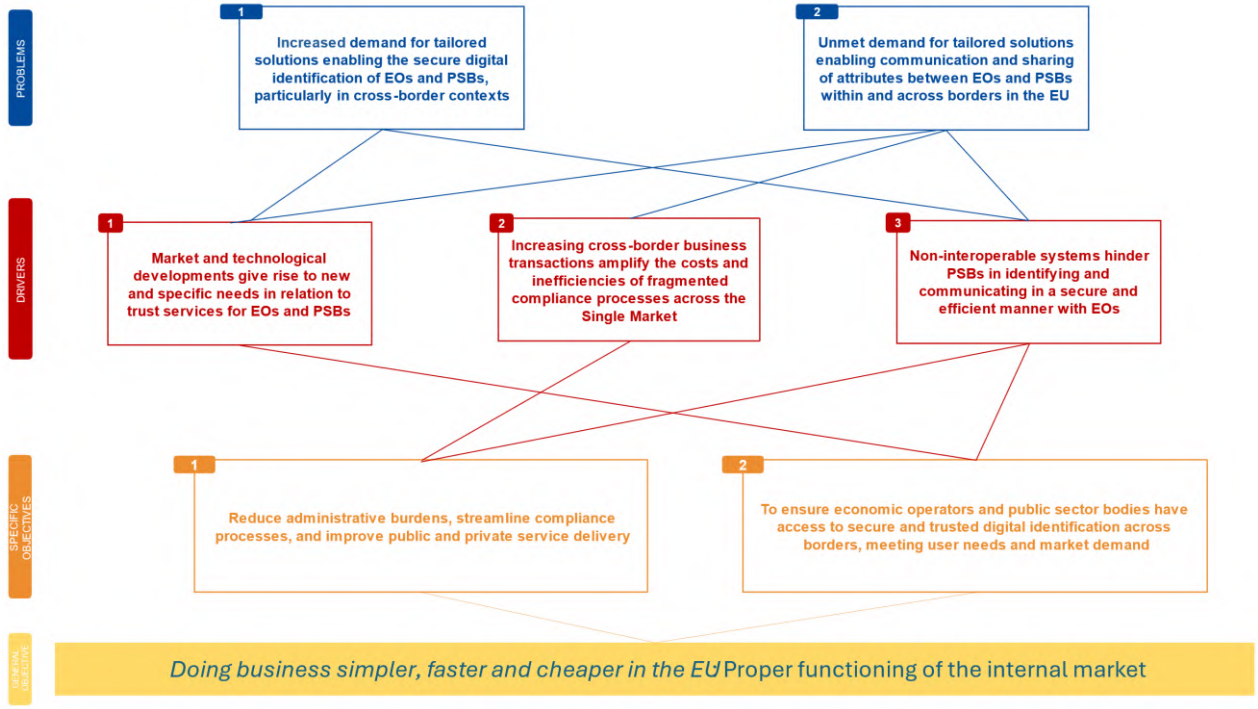
As the digital transformation of the European economy continues to accelerate, **economic operators** – whether corporates, SMEs, or individual sole proprietors operating in an array of different fields as diverse as manufacturing, finance, services, agriculture and logistics – **have specific and evolving needs related to digital identity and trust services**. This is particularly the case in the context of complex digital data flows and transactions, commercial relationships, cross-border operations and fulfilling regulatory compliance requirements. This requires digital identity solutions and trust services that are interoperable across borders and adaptable to different organisational structures.

The European Digital Identity Framework aims to strengthen the legal framework for digital identity and trust services through enhanced security, trust, interoperability, harmonisation and privacy. While the scope of the EU Digital Identity Wallets established under the Framework covers both natural and legal persons and provides a solid basis to enable secure and user-controlled identification and data sharing for both natural and legal entities, further clarifications on specific legal persons' needs would facilitate a smoother roll-out. Additional measures will therefore support consistent interpretation and implementation across Member States.[19] Moreover, the technical implementation of the EUDI Wallets focused on a personal application to be used on mobile devices which is not fully match the specific needs for business-to-government (B2G) and business-to-business (B2B) interactions.

The intervention logic supporting the European Business Wallets proposal is built on and complements the one provided in the 2021 Impact Assessment. An overview of this intervention logic is presented in the figure below. This chapter will set out the problems and then the underlying problem drivers that, if unaddressed, will continue to present economic operators and public sector bodies with unresolved challenges that will impair efforts to enhance competitiveness and reduce administrative burdens by driving forward the digital transformation of the European economy and the delivery of digital public services. The objectives to be achieved by the current proposal are set out in chapter 4.

[19] The Digital Identity Framework caters both to natural and legal persons. To ensure a clearer distinction between natural and legal persons, the proposal will propose to amend Regulation 910/2014 to remove legal persons from the scope and focus solely on natural persons.

Figure 1 – Intervention logic behind the European Business Wallets proposal



2.1.1. Increased demand for tailored solutions enabling the secure digital identification of EOs and PSBs, particularly in a cross-border context

In today's economic and digital landscape, legal entities face challenges **in identifying or authenticating** themselves **in digital processes**, particularly in cross-border contexts where procedures differ across Member States. While the revised eIDAS framework extends trusted identification and attribute sharing to legal persons, **administrative and commercial use cases often require additional capabilities**, including the ability to manage multiple digital identities across different Member States, rely on interoperable mandates, and ensure secure attribute exchange across different national systems. The need of EOs to interact with both public sector bodies and private partners in multiple Member States therefore increases the practical and operational complexity they must navigate when operating within the Single Market.

This development is consistent with the problem identified in the 2021 Impact Assessment for the EUDI Wallets, which addressed the **increased demand for trusted identification and digital attribute exchange**. This analysis **focuses** that assessment on the **organisational dimension**: whereas eIDAS and the EUDI Wallets address individuals' access to digital public and private services, economic operators require targeted capabilities to support secure identification, mandate verification and attribute exchange in B2G and B2B contexts.

Disconnected digital platforms result in **fragmentation** and often create unnecessary complexity and cost for organisations, undermining trust and confidence. This fragmentation does not mean that national or sectoral systems are unreliable. Instead, it means that economic operators cannot always be confident that a credential or authorisation recognised in one Member State will be readily accepted in another without additional checks. This creates a lack of smooth and reliable information exchange and can slow down onboarding and verification processes with customers, suppliers or

authorities in other markets - potentially discouraging firms, especially SMEs, from exploring new cross-border opportunities.

Stakeholders consistently ranked **identification, and representation checks among the most burdensome compliance obligations**, particularly in cross-border contexts where procedures differ and are repeated for each interaction. Many of these national processes are often **incompatible** with one another, and so **legal person identifiers** issued in one Member State may **not be automatically recognised** in another Member State, eroding confidence in cross-border digital transactions. Moreover, companies might be requested the same documents multiple times in different countries and might face identification procedures that include on paper exchanges and/or in person duties, making it hard for EOs to rapidly scale and expand internationally[20].

Expanding business operations across borders – an illustrative use case

For example a consulting firm established in Member State 1 (MS1) decides to open a new branch in Member State 2 (MS2). The process can quickly become complex and time-consuming. The company has to collect a range of official documents from MS1 authorities, have them notarised, and either send a representative physically to MS2 or appoint a local legal representative. Each authority in MS2 – the business registry, tax office, and licensing agencies – requests similar information, but in different formats and often with requirements for original signatures or certified copies. In addition, opening a local bank account triggers further Know Your Customer (KYC) checks, again requiring many of the same documents.

Furthermore, trust services like **eSignatures, eSeals and time stamps rely on verified business identities**. The ongoing differences in national electronic identification and make it difficult **for trust service providers** to quickly and reliably confirm the legitimate identities of economic operators across borders.

Under the EU **Company Law Directive[21]**, the EU has respectively established the Business Registers Interconnection System (BRIS). In addition, digitalisation of company law increases transparency and trust in the business environment in the single market (for companies, investors, consumers). Every limited liability company in the EU and commercial partnerships can be identified with the European unique company identifier (EUID). BRIS also ensures the cross-border exchange of information between business registers and enables the application of the once-only principle across Member States. The EUID is also used by the **anti-money laundering (AML) Directive**[22] in the context of the Beneficial Ownership Registers Interconnection System ('BORIS'). However, **a significant number of economic operators are not covered** by BRIS and BORIS: depending on the Member State in question, business and company registers may exclude government authorities and public sector bodies[23] (for example, agencies, local governments, educational establishments, public hospitals), and other institutional actors, as well as sole traders and the self-employed. By not

[20]Centre for European Policy Studies (CEPS). (2025). *Identification of hurdles that companies, especially innovative start-ups, face in the EU justifying the need for a 28th Regime*. Available at: https://www.ceps.eu/ceps-publications/identification-of-hurdles-that-companies-especially-innovative-start-ups-face-in-the-eu-justifying-the-need-for-a-28th-regime/

[21] Company Law Package, specifically Directive (EU) 2017/1132 (as amended by Directive (EU) 2019/1151)

[23] BORIS connects beneficial ownership registers which in some Member States are business registers but not always

assigning unique identifiers to all such economic operators, they cannot be reliably identified and their credentials cannot therefore be associated with a unique identifier.

Another under-addressed challenge in the area of identification is the secure and interoperable **delegation of mandates and representation rights**[24]: the ability for economic operators and public sector bodies to digitally grant authority to multiple individuals or entities to act on their behalf. In practice, businesses often need to demonstrate representation to sign contracts, submit tenders, fulfil reporting obligations, or access remote services. While economic operators are legally able to grant powers of attorney and mandates today, there is limited support for there is currently no standardised EU-wide way to digitally **store and exchange** verifiable evidence of such mandates across borders. Today, this is typically managed through paper-based powers of attorney, or repeated manual checks with national registries. Such processes are frequently inefficient, costly, and not suited to a digital and cross-border environment, where authorities and partners lack a trusted way to verify representation **in real time** thus creating further uncertainty in transactional and operational decision-making. Stakeholders described this process as **time-consuming, fragmented, and prone to errors**, particularly in cross-border contexts.

Stakeholder responses to challenges around presentation of Powers of Attorney (PoA)

According to interview participants in the accompanying study, verifying the identity of a company legal representative and confirming the legitimacy of the PoA are two of the most burdensome administrative activities for economic operators and PSBs, requiring manual checks and involve consulting heterogeneous and **non-standardised data sources for validation**. This burden was echoed in the Call for Evidence highlighting that procedures for identifying legal persons and their representatives differ across MSs, involving commercial courts, notaries, registries, and documents that may require apostille certification and substantive law compatibility. The recognition of powers of representation is currently not automatic and some Member States rely on informal mandates that lack legal documentation, creating uncertainty and risk.

The Upgrading Digital Company Law Directive (EU) 2025/25 introduces the digital EU power of attorney and requires Member States to use digital solutions to cut red tape and to remove administrative burdens like formalities requiring an apostille on company documents[25]. These digital EU PoA's will meet the standards of EAAs and will be compatible with the EUDIW, allowing companies to use these in in cross-border situations. In this context, the European Business Wallets could provide the secure container to store and share such digital PoAs, adding further simplification to PoA management.

Furthermore, some Member States still rely on manual PDF uploads and paper-based workflows[26]. This may pose a **risk of abuse of PoAs**. In some current systems, assignees are typically notified through national platforms, such as digital mailboxes or directly within PoA platforms, in some countries, however there are no notifications enabled, leaving the responsibility to inform other parties (such as the assignee) about the PoA to the assignor[27]. Legal persons may be represented by

[24] The issue of delegation of mandates and representation rights is not only a matter of digitalisation but also related to statutory and legal requirements. This Staff Working Document, as well as the proposal it accompanies, do not address these latter issues.

[25] Directive (EU) 2025/25 of the European Parliament and of the Council of 19 December 2024 amending Directives 2009/102/EC and (EU) 2017/1132 as regards further expanding and upgrading the use of digital tools and processes in company law; https://eur-lex.europa.eu/eli/dir/2025/25/oj/eng

[26] Nordic Council of Ministers. (2025). *Analysis of Power of Attorney in the Nordic Baltic region*

[27] Ibid.

multiple natural persons, and individuals may represent multiple legal entities across jurisdictions. This multi-layered representation complicates mandate verification. In some cases, individuals act on behalf of companies based on internal mandates rather than formal PoAs, adding a layer of complexity.

2.1.2. Unmet demand for tailored digital solutions enabling communication and sharing of attributes between EOs and PSBs within and across borders in the EU

Beyond proving their identity, EOs are often required to provide **numerous attributes and sector-specific attestations** (e.g. environmental compliance, safety certifications etc.). These attributes are broader and more complex than those required for natural persons, reflecting the diversity of business activities and regulatory requirements.

The challenges identified here build directly on the problem defined in the **2021 Impact Assessment**, which highlighted that *"current user expectations for seamless and trusted solutions to identify and share attributes across borders [are] not met"*. That assessment focused primarily on **individual users accessing online services** and the need for secure attribute exchange in **citizen-to-service interactions**.

Since then, demand has evolved further: **economic operators** increasingly operating cross-border, triggering a growing need to share **organisation-level** attestations in both B2G and B2B contexts. These exchanges require **traceable and auditable** sharing for regulatory compliance, must function **across multiple Member States and sectors** and often depend on verifying **representation rights** of natural persons acting on behalf of legal entities.

These specific **organisational and operational needs** were not the primary focus of the 2021 problem framing and therefore remain **only partially addressed** by the updated eIDAS framework and the EUDI Wallets. Indeed, while the EU Digital Identity Wallet Regulation already introduces the concept of verifiable credentials also applicable to legal persons, their **exchange, storage, and operational use** in business contexts could remain fragmented and burdensome.

The fragmented nature of current national solutions for information sharing and storage and the lack of common rules, standards, and shared building blocks make cross-sector and cross-agency data exchange difficult and inefficient. Repetition of submissions to different authorities increases the administrative burden for businesses. From the perspective of public sector bodies, the uncoordinated exchange of business credentials means less accessible, inclusive and transparent public service delivery. When data cannot circulate seamlessly across borders, services remain constrained by national silos, preventing businesses from experiencing the EU as a truly single digital space. Interoperability, however, is not only a technical feature but a measure of institutional openness: the ability of administrations to make rules and opportunities visible, understandable, and actionable online, where the once-only principles can be implemented. Nevertheless, as shown in problem one, the eGovernment Benchmark 2025 shows that accessibility and cross-border availability remain among the weakest areas of digital public service performance. This gap creates a risk of falling short of the objective to ensure that 100% of key public services are available online by 2030, as set out in the Digital Decade policy programme."

Stakeholder consultations, including contributions to the Call for Evidence[28], consistently pointed out that the **exchange of licences, certificates, and compliance data across borders is one of the most challenging elements of business interactions**. Respondents stressed the importance of a single EU-wide harmonised solution in facilitating trusted, interoperable, and legally recognised attributes exchange, particularly for cross-border use cases in **both B2G and B2B contexts**. While a European Unique Identifier (EUID) exists for all limited liability companies and commercial partnerships and the EUID is linked to the official information about those companies in the national business registers and also accessible at the EU level through Business Registers Interconnection System, there is no accepted EU-wide, sector-agnostic solution guaranteeing the **secure exchange and storage** of identities and of the different credentials of **all** economic operators.

EOs increasingly need to prove in a **faster way** their legal status, representation, and authorisations to comply with regulatory obligations (e.g. VAT registration, beneficial ownership verification), access financial services, participate in public procurement, or onboard partners in B2B transactions.

For instance, in B2G contexts, this is particularly important in the realm of **public procurement**, which represents a significant economic activity within the EU. Every year, public authorities spend approximately €2 trillion (around 13.6% of GDP) on the purchase of services, works, and supplies[29], underscoring the importance of public procurement as a crucial pillar of service delivery for governments. Yet research confirms that rates of participation and success in winning public contracts are significantly lower for SMEs compared to their larger counterparts[30]. A key challenge is the repeated need to prove the company's legal identity, status, and representation rights to multiple authorities, often through document uploads or paper-based certificates - especially in cross-border tenders. Because there is currently no harmonised and legally recognised way for businesses to digitally present verified credentials and mandates to procurement authorities in other Member States, bid preparation can be slow and costly[31].

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[28] https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14663-European-Business-Wallet-digital-identity-secure-data-exchange-and-legal-notifications-for-simple-digital-business_en

[29] European Commission. (2024). *The Public Procurement Data Space (PPDS). Single Market Economy*. Available at: https://single-market-economy.ec.europa.eu/single-market/public-procurement/digital-procurement/public-procurement-data-space-ppds_en. The public authorities considered under the PPDs are over 250,000. Please note that, for the purpose of the Cost Benefit Analysis presented in Chapter 6 and 7, a representative set of 95,825 Public Sector Bodies has been used, as relevant for interactions with EOs under the European Business Wallet framework.

[30] Akenroye, T.O., Owens, J.D., Elbaz, J., & Durowoju, O.A. (2020). *Dynamic capabilities for SME participation in public procurement*. Bus. Process. Manag. J., 26, 857-888

[31] Public procurement processes require EOs to present numerous documents and evidence to meet tender requirements, including demonstrating economic and financial standing to prove financial stability; having quality assurance schemes and environmental management standards; showing suitability to pursue the professional activity; proving technical and professional ability through sufficient experience and resources. Source: European Court of Auditors *Special report 28/2023: Public procurement in the EU*.

Examples of burdensome procedures in both B2G and B2B context:

B2G:

- A construction company active in multiple Member States may need to submit safety certifications, proof of liability insurance, and environmental permits to local authorities in each country. These must often be re-issued or translated into different national formats, even when the underlying certificate is already valid EU-wide.

- A company applying for public procurement contracts in another Member State may be asked to provide tax compliance certificates or proof of VAT registration. Because no legally valid communication channel exists, the company often must obtain notarised copies from its home registry, send them via courier, and then wait for manual verification by the foreign authority.

B2B:

- A manufacturer onboarding a new supplier in another Member State may need to verify CE conformity marks or sector-specific licences. In practice, these checks are handled by intermediaries (consultants or certification bodies), raising costs and delaying supply-chain integration.

- Financial institutions conducting due diligence on corporate clients still rely on fragmented KYC processes*. In the absence of a harmonised attribute exchange, they request repeated submissions of beneficial ownership information, slowing down client onboarding.

*Contributions from the Call for evidence highlighted that the Business Wallets can particularly support KYC and KYB processes as they are currently extremely complex and costly.

In this context of cross-border data exchanges, the Single Digital Gateway Regulation[32] introduces the Once-Only Technical System (OOTS). The OOTS serves as the Union's G2G digital backbone for the direct, secure and automated exchange of authentic evidence (i.e., official documents or data) between competent authorities across Member States. Acting at the explicit request of a citizen or business, the OOTS identifies, retrieves, and transmits the necessary certificates and documents from the authentic source authority to the requesting administration, so that such evidence only needs to be submitted once. Therefore, the Business Wallet and the OOTS will be complementary. The Business Wallet should provide the mechanism for secure identification and representation and allow users to store their attestation locally for B2G and B2B interactions, while the OOTS enables the identification, retrieval and trusted transmission of official evidence and documents in the context of G2G public procedures.

[32] Regulation (EU) 2018/1724 of the European Parliament and of the Council of 2 October 2018 establishing a single digital gateway to provide access to information, to procedures and to assistance and problem-solving services and amending Regulation (EU) No 1024/2012: http://data.europa.eu/eli/reg/2018/1724/oj

The absence of a reliable, secure, and legally recognised way for economic operators to exchange and store their attributes digitally across borders - in a manner that is equivalent in legal effect to submitting paper documents or appearing in person- represents a gap. Today, EOs often rely on ad hoc means, such as email, couriers, or proprietary portals, that are less well-suited to the simplification agenda and digitalisation political priorities.

Several stakeholders in the Call for Evidence also identified **traceability** of sharing of attributes as a **further pressing challenge**. While the EU Digital Identity Wallets prioritise user control, privacy, and minimal disclosure for natural persons to protect their personal data, these principles can conflict however with economic operators' needs. They require traceability to keep track of all shared attributes for risk management, fraud prevention, and compliance and auditing purposes (e.g. tracking supply chain attributes or financial transactions). In professional contexts, transparency, verifiability, traceability and accountability are essential for enabling trusted transactions and may take precedence over the privacy-by-default principles[33] applicable in natural persons interactions. Economic operators' digital identity needs differ: their sensitive business data flows across complex collaborations and activities, demanding solutions that integrate with existing tools and align with their operating model and organizational structures.

For the EU Digital Identity Wallets architecture, traceability is intentionally limited to preserve privacy, making it difficult to integrate with existing business processes, particularly where companies rely on Enterprise Resource Planning (ERP) systems, which companies use to manage internal business processes such as finance, inventory and supply chains, and Know Your Customer (KYC) solutions, which financial institutions use to verify business customers' identity and representation, to track and audit attribute sharing, leading to audit gaps or costly and delaying manual workarounds.

Example: how traceability can benefit the financial audit process

In this hypothetical example, a logistics company undergoing a financial audit could use issued and stored electronic attestations of invoices, delivery receipts, tax filings and payment confirmations to demonstrate to auditors that the company's reported revenue matches its shipping and invoicing records over the past year: with each attribute linked to the company's unique ID, a single transaction could be traced across multiple systems that would confirm the consistency of documents without time-consuming manual reconciliations and without the need for third party confirmation of the authenticity of documents and balances. This makes the audit process significantly less error-prone, manual, time-consuming and costly, thus enhancing trust and compliance, and less costly for the audited company in terms of fees to pay and in the time and resources needed to prepare the records for audit.

[33] The EU Digital Identity Wallets have a strong focus on personal data and prioritise the protection of privacy, ensuring that individuals have control over their own data and identity information, and that their personal details are securely managed and protected from unauthorised access or misuse.

2.2. What are the problem drivers?

2.2.1. Market and technological developments give rise to new and specific needs in relation to trust services for EOs and PSBs

With disruptive technological developments moving at an unprecedented pace, the way of doing business in Europe has evolved dramatically. This technological shift increases the importance of secure, automated and trustworthy digital interactions for economic operators and public sector bodies

Changes in the technological landscape are key drivers: global advances in cloud computing, AI, data analytics, digital trust and cybersecurity and secure digital identity are reshaping how legal entities operate. The global shift from document-based to data-driven and automated processes has raised expectations for real-time, cross-border exchange of verified information. The EU's Single Market Strategy and Digital Decade targets confirm that digitalisation is the key factor for growth, innovation, and sustainability: **the aim is to reach digital intensity to more than 90% of SMEs for 2030**, showing a clear trajectory towards greater use of technology to generate efficiencies, including to manage compliance and administrative interactions. Despite this data, many EOs in the EU still operate with **low digital maturity**, remaining more vulnerable to administrative complexity.

91% of scaleups consider digital technologies critical to their growth, and many see regulatory complexity as a major obstacle. Digital tools such as e-invoicing demonstrate how targeted solutions can deliver outsized impact: reducing late payments by up to 20%, enabling smoother cross-border operations, and easing compliance with sustainability reporting[34]. Digitalisation of compliance and administrative processes is also reflected in companies' online interactions with public authorities. Internet use by companies to obtain information or submit forms to public administrations continues to grow[35], reflecting firms' preference for online solutions in fulfilling regulatory requirements.

There is also an important technological **shift in AI adoption** among European companies. Eurostat data shows that in 2024, **13.5% of EU enterprises with ten or more employees used AI technologies, indicating a 5.5% p.p. growth from 8% in 2023**[36]. Businesses adopt such tools to automate reporting, optimise compliance, and improve decision-making. As EOs digitise their core processes, they naturally expect their engagement with public authorities to follow the same path.

The need to improve EU's global competitive standing and digital sovereignty are also an important development. Competing economies benefit from integrated digital ecosystems that allow businesses to scale quickly. The Draghi and Letta reports warn that Europe's fragmentation and administrative complexity risk undermining its competitiveness. Strengthening made-in-EU, interoperable digital infrastructure is vital to increase technological resilience, reduce dependencies and reliance on high-risk third-countries suppliers and ensure European businesses can compete globally, upholding EU strategic autonomy. Despite this, according to the World Economic Forum,

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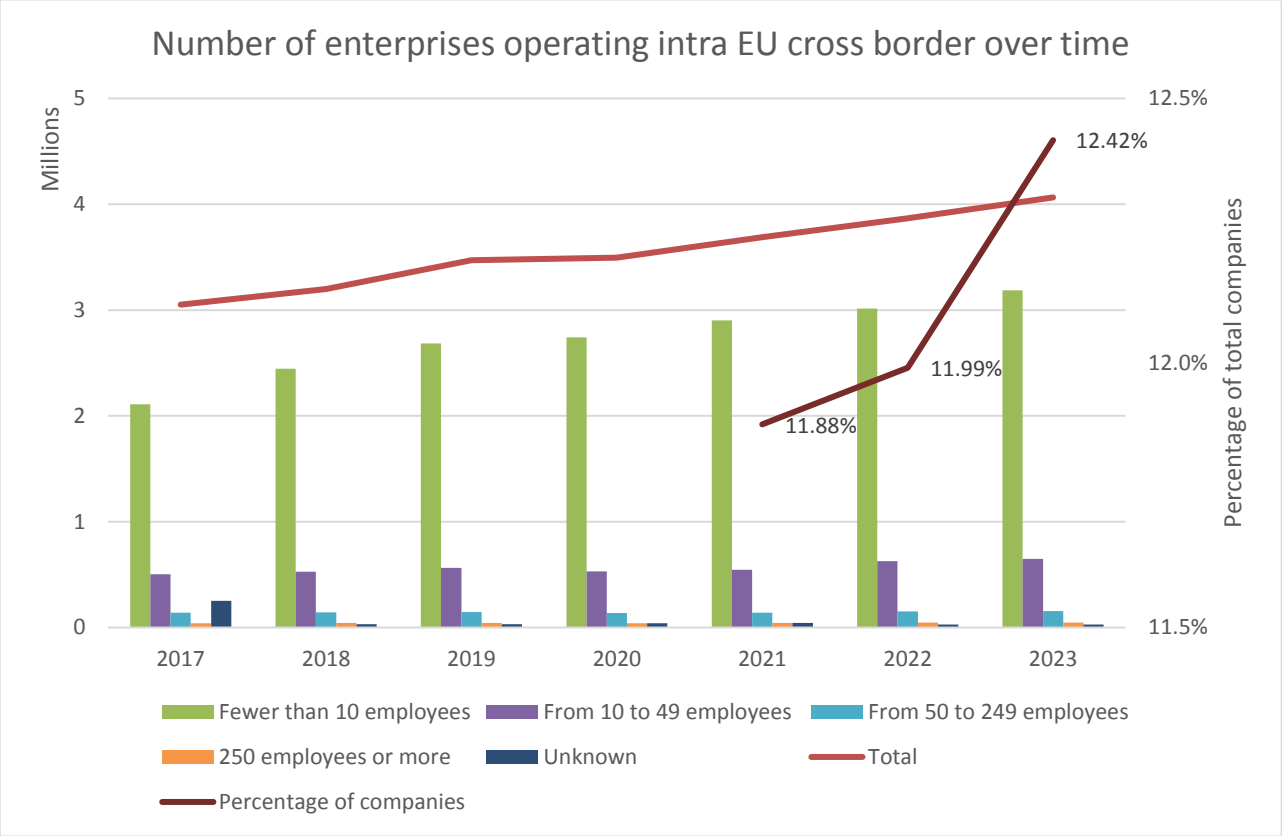
[34] Sage Report "Scaling for Growth Unlocking the Potential of Europe's Startups and Scaleups": Sage has commissioned new research drawing on insights from over 7,500 scaleups and next-generation scaleups across 15 EU Member States.
[35] https://ec.europa.eu/eurostat/web/interactive-publications/digitalisation-2025
[36] Eurostat: "Usage of AI technologies increasing in EU enterprises". A McKinsey analysis highlights the same evolution in the UK: 65% of private sector companies use generative AI to streamline operations, while only 37% of UK government bodies have adopted similar technologies, underscoring the private sector's push for efficiency gains through automation and digital tools, which economic operators also expect from their interactions with public sector bodies. *Improving government productivity: A systemwide approach,* January 29, 2025

European companies' underinvestment in advanced technologies has created strategic dependencies and has threatened to leave between EUR 2 and 4 trillion of foregone GDP by 2040[37]. The WEF's analysis reveals that Europe lags behind major competitors in 10 out of 14 technology domains, including digital trust and cybersecurity[38].

2.2.2. Increasing cross-border business transactions amplify the costs and inefficiencies of fragmented compliance processes across the Single Market

The share of economic operators engaged in cross-border activities within the EU is growing steadily, as the figure below shows:

Figure 2 – Number of enterprises operating intra EU cross-border over time



As these operations expand, compliance requirements across jurisdictions become increasingly resource-intensive, requiring substantial time, staff, and financial investment to prepare, verify, and submit documentation across multiple authorities and jurisdictions. The table below summarises the average EU score for business start-ups and regular business operations in the eGovernment benchmark report 2025: the yawning gap between national and cross-border availability of digital public services and the possibility to use eID for identification and authentication is striking.

[37] World Economic Forum. Europe in the Intelligent Age: *From Ideas to Action*, January 2025, p.4
[38] Ibid., p.7

Table 1 – Average scores for two Life Events in eGovernment benchmark survey

Life event	EU average scores			
	Digital public services		**eID**	
	National	**Cross-border**	National	**Cross-border**
Business start up	98.43	**71.17**	92.76	**51.50**
Regular business operations	98.98	**76.35**	91.49	**47.73**

Source: eGovernment benchmark 2025[39]

Public sector bodies face constraints when managing cross-border administrative procedures, as they must process, verify, and store economic operators' data originating from multiple jurisdictions, each governed by distinct technical standards. The absence of harmonised digital identity and trust mechanisms means that authorities often cannot automatically retrieve or verify official evidence from foreign registries, forcing them to rely on manual validation.

Inefficiencies absorb valuable human resources: much administrative time in transnational public service delivery can be spent on document verification, manual re-entry of data, or case follow-up with foreign counterparts. PSBs bear not only higher administrative costs but also reputational and opportunity costs, as slow or inconsistent service delivery undermines trust in the digital Single Market and may prevent economic operators from entering into specific interactions on account of these hindrances.

The ongoing prevalence of **non-standardised and unstructured digital communication processes** as well as **paper-based systems and manual verification procedures** not only results in **higher costs, increased administrative burdens, delays**, but also in heightened risks of **human error and fraud**[40] for both EOs and PSBs. For example, many documents have file formats that are not easily or accurately convertible, such as images resulting from scans, making text extraction and archiving difficult. This prevents a seamless digital exchange because it necessitates additional processing steps that result in inefficiencies and reduced legal reliability: for many businesses, these obligations, especially when compliance is needed across borders, involve repetitive tasks, such as providing the same information to different authorities in different formats.

The cost of compliance in Sustainability Reporting

Stakeholder interviews highlighted that the implementation of sustainability reporting obligations can impose a burden on companies of all sizes. One medium-sized company reported hiring two full-time employees dedicated solely to reporting obligations. Others stressed that adapting systems and engaging specialised consultants can cost over €100 000 annually.

[39] Results of the eGovernment benchmark - Capgemini

[40] For example, in the Staff Working Document accompanying the IVth Omnibus package, the overall savings for companies related to digitalisation of Declarations of Conformity are estimated at around €300 million per year; see SWD(2025) 130 final

Several businesses estimated that around 20% of staff time is absorbed by sustainability reporting tasks, including data collection, verification, and document preparation.

The Omnibus I Package – which simplifies rules on sustainability reporting, sustainable finance and related requirements to reduce administrative burden (notably for SMEs and small mid-caps) – is a major step forward in streamlining obligations and helping companies focus resources on growth and innovation. However, as these simplification efforts are being implemented, the practical processes required to gather, validate and present information across different procedures and jurisdictions still impose significant operational costs and hurdles on businesses.

These findings point out the challenges companies face in practical compliance and the risk of disproportionate impacts on smaller economic operators. The resources devoted to implement certain obligations could otherwise be channelled into innovation, productivity, and market expansion, particularly in cross-border contexts.

Among EOs, **costs fall disproportionately on SMEs and micro-enterprises** – the latter often run by a single individual – which frequently lack dedicated legal, IT, or compliance departments, and must divert limited resources away from more high-value tasks to meet these obligations[41]. As the Draghi report points out, regulatory burdens are especially costly for SMEs and self-defeating for those in the digital sector, with more than half of SMEs in Europe flagging regulatory obstacles and the administrative burden as their greatest challenge in remaining competitive. 55% of SMEs flagged administrative burden as their greatest challenge to remaining competitive[42]. The European Investment Bank has estimated that **regulatory compliance costs account for about 1.8% of turnover for firms and 2.5% for small and mid-size companies**[43]. In the **EIB survey, 60% of EU exporters reported needing to comply with various standards and consumer protection rules from one Member State to another**[44]. Such fragmentation – including additional 'gold plating' discourages smaller, younger companies, from participating fully in the Single Market compared to their larger peers, who can better shoulder the costs of regulatory burdens.

While initiatives such as the Omnibus simplification packages and the Once-Only Technical System (OOTS) (supporting direct evidence exchange between authorities) are expected to substantially reduce red tape, **practical challenges** in securely communicating and presenting information to different public sector bodies across the EU remain, particularly for smaller firms expanding cross-border.

Finnish Example: administrative burden on SMEs in cross-border contexts

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[41] Stakeholder feedback confirms that 30–50% of an SME's time can be consumed by administrative tasks, including identity verification, validation of legal representation, and repeated submission of documents to different authorities.

[42] REDUCING REGULATORY BURDEN TO RESTORE THE EU'S COMPETITIVE EDGE - BUSINESSEUROPE2025

[43] EIB Investment Report 2024/2025 "*Innovation, integration and simplification in Europe*". According to the EIB, about 86% of EU firms employ staff specifically to deal with regulatory compliance, and 28% of EU SMEs indicated that over 10% of their staff are employed to manage regulatory compliance.

[44] Ibid.

A Finnish pilot project revealed the challenges SMEs face in cross-border interactions. Opening a bank account abroad required submitting a Finnish tax debt certificate. While Finnish company representatives could obtain this digitally, foreign applicants had to request it manually, calling the tax authority and receiving the document by post. With around 2,000 foreign cases annually (out of 84,000 total requests), this manual process imposed high mailing and customer service costs, highlighting how the lack of secure digital channels disproportionately burdens smaller firms seeking to expand cross-border[45].

Differences in national rules furthermore create the conditions for complexity, but the real limitation lies in the absence of a common, EU-wide means to ensure that business documents and credentials retain their **legal validity when exchanged across borders**. Today, the storage and exchange of such documents depend on fragmented systems – from eInvoicing platforms to mandates and powers of attorney – that in some cases still require paper formalities. These inconsistencies do not challenge the content of national legislation as such, but they create uncertainty over ***how*** documents are recognised and trusted in cross-border interactions.

Cross-border exchanges often involve sensitive data, including financial, regulatory, and contractual information. Fraudulent practices such as invoice scams already generate over €26 million annually in illicit profits, according to Europol and EUIPO. These schemes exploit the absence of standardised, verifiable channels by mimicking legitimate correspondence, leading many businesses to unknowingly pay false fees for services such as trademark renewals or registrations. The dependency on proprietary identity solutions and high-risk suppliers can increase security risks.

Large-Scale Pilots – *WeBuild*

The widespread participation in the Large-Scale Pilots (LSPs), funded by the Digital Europe Programme, reflects the strong interest and demand from both public and private sectors for interoperable identity solutions that work across borders. The LSPs involve over 550 businesses from across the EU and public authorities from 26 Member States as well as Norway, Iceland and Ukraine, and include specific B2G and B2B use cases[46]. One of the most recent Large-Scale Pilots, ***WeBuild***, brings together more than 180 public authorities, private companies, academic institutions and technology providers from 26 countries to develop 13 use cases across the domains of business, supply chain and payments[47].

Finally, stakeholders highlighted that international business opportunities extend to cooperation with partner third countries, yet the lack of reliable mutual recognition mechanisms can discourage firms from seizing these further opportunities.

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[45] See for example: https://urldefense.com/v3/__https:/yrityksendigitalous.fi/en/blogs/digital-wallet-streamlines-opening-a-companys-bank-account/__;!!DOxrgLBm!DQDfWrS5M7k4wE3QS6lhr400t1XPX4FQtiJO3wAYeDpEyeMNaNq6AEsGY4Z_o-apKG6m4IP0SSNnY0eBpDdARKJUWrVj_02xXZQZLBPefA$

[46] See Large Scale Pilots

[47] WeBuild (EU contribution 13.4m euro; total budget 26.8m euro) is coordinated by the Netherlands' Kamer van Koophandel (KVK) and Ministry of Economic Affairs (MinEZ) and the Swedish Bolagsverket, and will enable cross-sectoral and cross-border collaboration, ensuring that both the technical infrastructure and policy alignment are addressed cohesively and inclusively. Use cases include: cross-border business registration; tax declaration; signing on behalf of a company; verifying drivers, trucks, and transport companies; securely verifying buyer-supplier relationships to prevent invoice fraud; AML-compliant onboarding and accessing online banking services; corporate banking and payments.

2.2.3. Non-interoperable systems hinder PSBs in identifying and communicating in a secure and efficient manner with EOs

The EU still faces major challenges to harnessing the digital transformation for its productivity and competitiveness[48]. From the perspective of public sector bodies, **limitations in current identification and credential exchange systems hinder progress towards a seamless EU administrative space for business interactions.** Despite ongoing digitalisation of public services, **existing systems are generally designed for domestic use and do not always support secure cross-border interoperability for communication with economic operators**.

The eGovernment Benchmark 2024 shows substantial differences across Member States in the digital availability and usability of key public services: the average overall score of the 10 top-performers within the EU27 is 87 points, compared to 64 points for the 10 bottom-performers – a gap that highlights persistent disparities in business-facing digitalisation. These disparities translate into different compliance costs: the Commission's Tax Compliance Costs for SMEs Final Report (2022) finds that for example electronic filing and one-stop-shop solutions reduce administrative burdens, while less digitalised systems lead to proportionally higher costs for businesses.

The eGovernment Benchmark 2024 shows that while 88 % of public services are available online to national users, cross-border users can access only 56 % of those services digitally. Interoperability barriers remain among the top obstacles to efficient e-government. Fragmentation concerning **legal persons identifiers affects how PSBs and EOs communicate and exchange**: while Member States are developing national digital identity schemes for EOs, as well as foundational digital services like e-invoicing platforms, these solutions still rely on different technical standards, formats, and protocols. The result is fragmented systems that do not "speak" to one another, forcing economic operators to resubmit information or undergo manual checks when trading or expanding across borders. Both EOs and PSBs emphasised the importance of an **EU-wide harmonised solution enabling interoperability**. This request goes beyond agreeing on the definition and harmonisation of standards and protocols: stakeholders called for an interoperable framework that allows different technical and economic models to coexist. Interoperability between the European Digital Identity Wallets and the European Business Wallets was also mentioned frequently so as to avoid duplication.

There are additional constraints related to cybersecurity and the resilience of Europe's digital public infrastructure. One example comes from the implementation of **eInvoicing**[49]. Stakeholder evidence and recent reports underline that current **fragmentation of identifiers** creates serious obstacles for the security of businesses.

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[48] Communication from the Commission: State of the Digital Decade 2025: *Keep building the EU's sovereignty and digital future*, COM(2025) 290 final

[49] The VAT in the Digital Age (ViDA) package requires all VAT-registered businesses engaged in cross-border B2B and B2G supplies to issue structured eInvoices in a standardised EU format by 2030. This reform aims to decrease the VAT gap and reduce fraud losses, estimated at EUR 11 billion per year.

3. WHY SHOULD THE EU ACT?

Despite advances in the digitalisation of public services[50] and national business registers, and notwithstanding the changes made to the legal framework for trust services introduced by Regulation 2024/1183 amending Regulation 910/2014, several structural challenges continue to hinder effective cross-border transactions, which increases costs and prevents the reaping of the benefits offered by the Single Market. Businesses continue to face a fragmented landscape of national portals, differing proprietary formats, and paper-based procedures for identification, compliance and reporting.

As elaborated below, these divergences translate into two core challenges. First, they may create obstacles to **the freedoms of establishment and service provision**, while also creating practical barriers to the free movement of goods and capital. Second, they **generate distortions of competition within the Single Market**. Economic operators established in Member States with more advanced public digital infrastructures benefit from faster and cheaper compliance procedures, while those operating in Member States with less mature digital channels face higher costs and delays[51].

Stakeholders call for secure, interoperable and legally valid digital identity solutions to establish themselves, access public services and meet regulatory obligations simpler and faster across the Union in ways that avoid unnecessary administrative costs and duplication. EU action complements national frameworks and builds on the EU Digital Identity Framework to further unlock the Single Market's potential.

3.1. Legal basis

The proposed initiative builds directly on the foundations established by the EU Digital Identity Framework and provides a complementary, tailored solution to economic operators and public sector bodies. Its underlying rationale – that secure identity, trust services, and the seamless sharing of electronic attestations of attributes are essential for enabling digital public services and supporting cross-border market participation – applies equally to legal persons.

Accordingly, as with the EU Digital Identity Framework, the appropriate legal basis identified for this initiative is Article 114 TFEU. Article 114 justifies EU intervention where disparities between Member States obstruct fundamental freedoms or cause significant distortions of competition. It also works preventively by avoiding likely future obstacles from arising as a result of divergent national laws.

A dedicated instrument addressing economic operators' and public sector authorities' specific functional and legal needs is necessary. The proposed European Business Wallets will promote competitiveness as well as establish an EU-wide trust ecosystem for economic operators. Transactions carried out through the European Business Wallets will be secure and legally valid, with

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[50] See *European Commission, Digital Economy and Society Index (DESI)* – Digital Public Services, part of the State of the Digital Decade monitoring framework. The EU-27 scored 81/100 in 2025, up from 75.8/100 in 2023: https://www.capgemini.com/insights/research-library/results-of-the-egov-benchmark/.

[51] The *eGovernment Benchmark 2024 Insight Report* shows substantial differences across Member States in the digital availability and usability of key public services: the average overall score of the 10 top-performers within the EU27 is 87 points, compared to 64 points for the 10 bottom-performers - a 23-point gap that highlights persistent disparities in the digitalisation of public services. These disparities also translate into compliance costs: according to the Commission's *Tax Compliance Costs for SMEs* Final Report (January – 2022) finds that for example electronic filing and one-stop-shop solutions reduce administrative burdens, while less digitalised systems lead to proportionally higher costs for businesses.

credentials whose origin and integrity can be verified, giving companies and public authorities confidence in their reliability.

3.2. Subsidiarity: Necessity of EU action

To take full advantage of the Single Market, all economic operators and public administrations should be able to benefit from highly secure and trustworthy digital identity solutions across the EU, including the portability of electronic attestations of attributes linked to identity. These needs cannot be sufficiently met by Member States acting individually.

As the 2021 Impact Assessment[52] accompanying the proposal for Regulation (EU) 2024/1183 found, without clear EU-level rules and incentives, the uptake and cross-border usability of trusted digital identity solutions would remain limited[53]. The same holds for economic operators and public sector bodies: without a common, harmonised EU framework tailored to their needs, cross-border business opportunities are lost, especially for SMEs and sole proprietors and professionals who cannot easily expand beyond national markets.

Current **divergences and fragmentation** undermine equal treatment between domestic and operators from other EU countries and generate barriers to EU market access. National initiatives to digitalise businesses' interactions with public administrations differ considerably in legal effect, scope, and technical architecture, as they are conceived primarily for national, regional, or local use and are not designed natively for pan-European use cases. The *status quo* leads to **legal uncertainty**, **higher costs**, and **duplication of effort**, leaving economic operators active in more than one Member State with disproportionate administrative burdens and inconsistent access to public and private services, weakening the Single Market and, in turn, the EU's international competitiveness.

Consequently, **obstacles may persist** to the full exercise of the **freedom of establishment** and the **freedom to provide services**, both **dependent in practice on interactions with public sector bodies.** The absence of a trusted EU-wide solution means that attestations issued digitally in one country cannot always be securely exchanged or relied upon in another.

Fragmentation is also responsible for **distortions of competition**: economic operators offering the same category of goods or services, and so competing in the internal market, face unequal conditions **when meeting national compliance obligations**. Where national procedures are digitalised, economic operators can often establish subsidiaries, register for VAT, or provide attestations in days at minimal cost. Where such channels are absent, the same process can take weeks, involve courier fees, and require dedicating staff time to compliance rather than high-value productive activities.

PSBs play a pivotal role in the efforts to overcome both obstacles of fundamental freedoms and distortions of competition that could be caused by national divergencies. Public sector bodies determine if in practice economic operators are able to exercise their rights in the Single Market on equal terms: as "gatekeepers" of procedures such as licensing, taxation and procurement, they are responsible for how EU rules materialise. By streamlining the way to comply with procedures and enabling seamlessly the use of one harmonised tool EU-wide, valid for all EOs, they are pivotal in achieving these common objectives of removing administrative barriers, restoring a level playing field and fully unlocking the Single Market's smooth functioning. smooth functioning.

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[52] Commission Staff Working Document Impact Assessment Report, SWD(2021) 124, accompanying the proposal amending Regulation (EU) n° 910/2014 as regards establishing a framework for a European Digital Identity
[53] See SWD (2021) 124, Part 1, pp. 21-22.

The same applies to the EUIBAs: having important supervisory and regulatory roles, these actors need to be included in the scope of the European Business Wallets. At present, EUIBAs, when interacting with EOs, manage different IT solutions and systems that meet the varying sectorial objectives for which they are responsible. This fragmentation creates administrative burdens and increases compliance costs for operators active in several sectors. By bringing EUIBAs within the scope of this Regulation, these approaches can be streamlined and harmonised, creating **a consistent regulatory environment and falling in line with the objectives of Article 114 TFEU**. Were the EUIBAs to be excluded from scope, the way EOs meet obligations or carry out administrative procedures at Union level compared to the national level would result in divergences, creating an asymmetry and be in direct contrast with the very harmonisation objective of EU intervention under Article 114.

In addition, there is also a **security dimension** to consider. As recognised in the proposed Regulation for a European Competitiveness Fund[54] (as part of the MFF 2028-2034), dependency on high-risk suppliers in critical sectors threaten the Union's security, resilience and sovereignty. Divergent approaches to providers' eligibility would exacerbate legal uncertainty, reduce trust in cross-border digital infrastructures, and weaken the resilience of the Single Market.

National measures cannot by themselves overcome these common risks, whereas EU action can provide consistent and coordinated protection of the Union's security interests. Without EU intervention, fragmentation could further deepen. Divergent incompatible systems will continue to coexist, and new ones may emerge: Member States will continue to invest in existing digital identity solutions designed for domestic use only and systems that may not communicate with one another will proliferate without certainty about broader and concrete operational use across the Single Market. This will make it harder for companies to establish themselves or provide services abroad, reinforce distortions of competition between firms depending on where they are established, and perpetuate mistrust in the validity of documents exchanged across borders.

3.3. Subsidiarity: Added value of EU action

By establishing a harmonised legal and technical framework for the digital interaction between economic operators and public sector bodies, EU action will deliver added value in the following areas:

Trust and legal certainty. Action at EU-level will enable credentials and documents of economic operators to be stored and exchanged through a secure channel recognised across borders. This guarantees that public authorities and businesses can rely on the authenticity of the origin of the documents received. By simplifying the way credentials are transmitted, presented and verified, the Business Wallets strengthen mutual trust in cross-border interactions and increase predictability for economic operators. Also, by securing and standardising B2G and B2B interactions and information exchange across the Single Market, the initiative yields better data quality, which improves accuracy

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[54] Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on establishing the European Competitiveness Fund ('ECF'), including the specific programme for defence research and innovation activities recital (30): "*Europe must protect its security interest against suppliers which could represent a persistent security risk due to the potential interference from third countries as well as their security, notably cybersecurity. It is therefore necessary to reduce the risk of persisting dependency on high-risk suppliers in the internal market, including in the ICT supply chain, as they could have potentially serious negative impacts on security for users and companies across the Union and the Union's critical infrastructure in terms of the integrity of data and services as well as the availability of service. This restriction should be based on a proportionate risk assessment and associated mitigation measures as defined in the Union policies and laws*".

of information, and in turn transparency. Transparency increases trust in public administrations and businesses, as well as confidence in digital transactions and services[55].

Competitiveness and growth. Stronger trust drives higher participation in the Single Market and opens new economic opportunities. The European Business Wallets can support economic growth and development in two specific ways:

- For the trust services' market, the European Business Wallets will act as a catalyst. By making economic transactions simpler and more reliable, the initiative will increase the practical utility of secure and interoperable trust services, thereby driving their demand. As adoption by economic operators and public authorities grows, the resulting expansion in transaction volumes will open new business opportunities for European providers and strengthen their competitiveness.
- For EOs, especially SMEs, it will reduce administrative burdens and remove barriers both to cross-border and domestic transactions, allowing them to scale faster in the Single Market. The time saved can redirect resources to more strategic, high-value activities, such as innovation, productivity and international expansion.

EU's digital sovereignty and security. As illustrated in the 2021 Impact Assessment for the EUDIF, harmonisation is essential to avoid dependence on non-European solutions[56] and to foster a competitive EU ecosystem for identity and trust services. Extending this logic through the European Business Wallets contributes to the EU's goal of digital sovereignty by reducing dependency on proprietary identity solutions and enabling European providers to compete globally on a level playing field[57]. In addition, common application of cybersecurity rules ensure that only trusted providers operate the Business Wallets' infrastructures, reducing dependency on high-risk suppliers and aligning with EU-wide supply-chain risk assessments.

External trade incentive. By providing a trusted channel for the exchange of credentials, the Business Wallets can facilitate smoother recognition and verification processes also in international trade, both for European economic operators operating abroad and for third-country businesses interacting with the EU market. Beyond facilitating trade, the Wallet positions the EU as a global standard-setter for trusted digital infrastructures, reinforcing the Union's regulatory influence.

Alignment with strategic digitalisation initiatives. The Business Wallets will also ensure coherence with key legislative and political EU initiatives, such as eIDAS Regulation 910/2014, the Single Digital Gateway (SDG), the Digital Product Passport (DPP), the Interoperable Europe Act, EU Company Law, the 28th Regime, and the VAT in the Digital Age (ViDA). By integrating with these frameworks, the European Business Wallets can contribute to a cohesive digital ecosystem that supports the goals of the Single Market in the Digital Decade, and the SME Strategy for a sustainable and digital Europe.

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[55] Mentioned in an in-depth interview with an Association of Economic Operators.
[56] See SWD(2021) 124, Part 1, p. 25.
[57] Mission letter to EVP-designate for Tech Sovereignty, Security and Democracy, 17 September 2024

4. OBJECTIVES: WHAT IS TO BE ACHIEVED?

4.1. General objectives

The initiatives seek to address the problems outlined in section 2 and reflect the political mandate formulated by the President of the Commission[58] and by the European Council Conclusions[59]. They also build on the findings of the Letta and Draghi reports, and take into account the joint non-paper sent by 12 Member States to the Commission in summer 2024, which called for measures to "make the process of complying with reporting obligations easier for businesses" as well as the draft Council Conclusions on European Competitiveness in the Digital Decade which expect the European Business Wallets to harness the full potential of digital tools in its efforts to reach the 25% burden reduction target for all companies and the 35% burden reduction target for SMEs by the end of 2029. Additionally, the 2021 Impact Assessment for the EU Digital Identity Framework highlighted the importance of a common European approach to digital identity as a precondition for an effective Digital Single Market.

The **general objective** of the European Business Wallets is to promote the proper functioning of the internal market by addressing the need to reduce administrative burdens for businesses and public administrations by means of digital identification, authentication and legally valid data exchange, thereby enhancing competitiveness and digitalisation across the EU.

The following sections translate this general objective into two specific objectives.

4.2. Specific objectives

Specific Objective 1: Reduce administrative burdens, streamline compliance processes, and improve service delivery

The initiative will establish a harmonised framework enabling economic operators and public sector bodies to identify themselves, authenticate and exchange electronic attestations of attributes and electronic data with full legal effect across the Union. Its aim is to cut administrative costs, requiring that formal notifications and documents transmitted via the European Business Wallets to meet regulatory and compliance requirements are legally valid and recognised in all Member States.

In doing so, the initiative will strengthen European competitiveness by directly generating cost savings through streamlining manual processes and administrative burdens. EOs, especially SMEs and microenterprises, will be able to focus their resources towards strategic, higher-value activities such as innovation and cross-border expansion, instead of repetitive, time-consuming and costly compliance tasks.

The initiative will allow EOs to meet reporting and compliance obligations digitally, thereby more effectively and efficiently. Public authorities, in turn, will benefit from more efficient and reliable exchanges, reducing delays and improving service delivery. In this way, the initiative will support

[58] The European Business Wallet is part of the Competitiveness Compass as "the cornerstone of doing business simply and digitally in the EU". Additionally, it is included as a priority in the Commission work programme 2025.
[59] European Council Conclusions of 20 March 2025, EUCO 1/25, and of 26 June 2025, EUCO 12/25

the simplification agenda[60] and remove barriers to scaling up in the Single Market[61], by helping economic operators navigate compliance complexities more effectively.

In addition, the initiative will support the further development of the European digital identification and trust services internal market to match the growing demand in an ever-increasing digital-first environment. In doing so, this will contribute to Europe's broader competitiveness objectives.

This objective responds to the drivers 2 and 3: *"Increasing cross-border business transactions amplify the costs and inefficiencies of fragmented compliance processes across the Single Market "* and *"Non-interoperable systems hinder PSBs in identifying and communicating in a secure and efficient manner with EOs "*

Specific Objective 2: To ensure economic operators and public sector bodies have access to secure and trusted digital identification across borders, meeting user needs and market demand.

The initiative will uniformly implement a minimum set of core functionalities tailored to the professional context of economic operators and public sector bodies. At the same time, authorised providers will be able to build on this common layer by offering additional features as part of their commercial offering, creating space for innovation solutions meeting diverse market needs. Such an approach combining harmonisation and flexibility is expected to amplify network effects, drive adoption, and allow the internal market to respond dynamically to evolving needs of economic operators and public sector bodies.

The core functionalities of the initiative reflect concrete needs identified by stakeholders. A legally valid communication channel will ensure that documents, notifications, and data exchanges have the same legal effect as traditional methods, thereby simplifying processes and increasing trust in B2G/G2B exchanges, likely driving further adoption in B2B contexts. A European Digital Directory (EDD) will provide for a secure, centralised way for users to connect with trusted counterparts across the Union, supporting cooperation, cross-border operations, and new market opportunities. Furthermore, the ability to delegate mandates digitally will allow organisations to manage representation rights in a transparent and flexible manner, ensuring that multiple authorised representatives can act on behalf of a business or authority digitally in a secure and auditable way.

Together, these features will meet current demand for secure digital identification and attribute exchange, and at the same time they will also create the conditions for innovation, scalability, and new business models.

This objective responds to the drivers 1 and 3: *"Market and technological developments give rise to new and specific needs in relation to trust services for EOs and PSBs "* and *"Non-interoperable systems hinder PSBs in identifying and communicating in a secure and efficient manner with EOs."*

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[60] See Chapter **Error! Reference source not found.**1

[61] Regulatory friction is hindering growth for scaleups, as reported in the Sage Startup and Scaleup reports, mentioning that 62% of scaleups call for simpler, more harmonised EU Regulation.

5. WHAT ARE THE AVAILABLE POLICY OPTIONS?

The 2021 Impact Assessment[62] accompanying the proposal establishing the European Digital Identity Framework

supported proposal for a personal digital identity wallet with legal requirements, common standards and/or technical references for the Wallet App. The Wallet App would allow the user to integrate a notified national eID and various credentials obtained from private and public providers. Policy option 3 incorporated policy options 1 and 2 to strengthen the legal framework for cross-border recognition of national eIDs and trust services, as well as creating a market for the secure exchange of data linked to identity. However, policy option 3 went further by linking the Digital Identity Wallet to national eID or eID credentials so as to guarantee a high level of trustworthiness, allowing the user to receive and exchange qualified electronic attestations attributes and credentials related to their identity. The European Digital Identity Wallets will be provided directly by a Member State; under a mandate from a Member State; or independently of a Member State but recognised by that Member State[63].

With the entry into force of the Regulation and the adoption of subsequent implementing regulations, the current EU Digital Identity Framework has addressed many of the legal and technical challenges identified in the 2021 Impact Assessment through the ongoing implementation of the foundational technical architecture and the inclusion of trust services in its scope. The Regulation (and its implementing acts) have already defined the foundational architecture for the EUDI for natural persons. The digital-identity wallets model policy option is the only viable fit to ensure the maximum level of coherence, consistency and interoperability between the EU Digital Identity Wallets and the European Business Wallets. The two should be understood as a coherent extension, not a separate framework. For these reasons, Policy Option 3 is still relevant today in the context of the European Business Wallets. Interoperability between the EU Digital Identity Wallets and the European Business Wallets is a defining principle. One of the most consistent recommendations from stakeholders was the need for close alignment and interoperability between the two frameworks. The European Business Wallets and the EU Digital Identity Wallets will be seamlessly interoperable, enabling the exchange of identification data and EAAs for onboarding purposes, the management of mandates, and secure interactions across both ecosystems. This interoperability ensures coherence and user-friendly experiences, while recognising that the Business Wallets are primarily suited for B2G/G2B and B2B contexts, complementing the citizen-focused scope of the EUDIW.

The present analytical Staff Working Document builds on the earlier analysis and the wallets design, providing a proportionate, complementary analysis to support the framework's extension over to B2B and G2B interactions.

5.1. What is the baseline from which options are assessed?

The European Business Wallets Regulation will build directly on the foundation of the European Digital Identity Framework. In the period since the previous impact assessment, other relevant initiatives have accelerated the push towards greater regulatory simplification and reduction of administrative burdens, including the Omnibus Packages and the Upgrading Digital Company Law

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[62] Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) n° 910/2014 as regards establishing a framework for a European Digital Identity; SWD(2021) 124 final; Part 1, pp. 30-45.
[63] Article 5a(2), Regulation 910/2014

Directive. However, the main reference framework for digital identification remains the European Digital Identity Framework. Policy option 3 serves therefore as both baseline and the only policy option to be considered in this Staff Working Document, tailored to the European Business Wallets context to address the specific needs of its targeted stakeholders.

5.2. Description of the policy option

As stated above, the policy choice builds on the chosen design of the EUDI adapted for the European Business Wallets, integrating the specific problems identified in chapter 2 and taking account of the specific objectives outlined in chapter 4.

Proposed minimum requirements will not in any way prevent the emergence and development of additional market-driven features as part of the European Business Wallets' providers' commercial offering to foster innovation and to meet diverse market needs.

Against the backdrop of the two specific objectives of reducing administrative burdens, streamline compliance processes, and improve service delivery and ensuring economic operators and public sector bodies have access to secure and trusted digital identification across borders, meeting user needs and market demand - as described in chapter 4 (see section 4.2), the policy option set out in the box below is identified for the European Business Wallets.

This proposed Regulation aims to ensure that public sector bodies and economic operators in Europe can obtain European Business Wallets, a digital tool to securely identify, authenticate and exchange data with full legal effect across EU borders. To take full advantage of their benefits and encourage widespread uptake, public sector bodies will be required to enable the use of the minimum **core functionalities** of European Business Wallets by economic operators. These functionalities include: identification and authentication; the use of qualified electronic signatures and seals; the secure issuance, submission, sharing and storing electronic attestations of attributes; receiving official notifications. In this way, the wallets would empower users to securely share data related to their identity, licences, certificates, and other business-relevant credentials with public sector bodies and economic operators through market-driven solutions.

The European Business Wallets initiative builds on the EU Digital Identity Framework and complements the key benefits of the European Digital Identity Wallets for natural persons. The European Business Wallets would allow the users to integrate a digital identity issued following the legal and technical framework established by the eIDAS Regulation, relying on authentic sources such as business registries or other official records, to interact in a secure and efficient manner. Hence, the measures establishing the European Business Wallets ecosystem builds on the framework for EU Digital Identity Framework, indispensable for the trustworthiness of its cross-border use and on trust services for electronic attestation of attributes enabling a multitude of B2G/G2B and B2B use cases across the EU.

The EUBW will provide a legally valid and secure communication channel between economic operators and public sector bodies through the use of qualified electronic registered delivery services, combined with a common dashboard for the storage and verification of exchanges. A further feature would allow to link different attestations together so that once an economic operator provides certain documentation, it can be reused across several procedures without the need for resubmission. This guarantees that information remains reliable and trusted while sparing businesses and public authorities repetitive checks.

To ensure flexibility, affordability and accessibility for certain groups of stakeholders, like sole traders and the self-employed, it will be possible for them to use their EU Digital Identity Wallets to

have access to existing standalone trust services such as electronic signatures and timestamps as well as the newly created communications channel without needing to purchase a fully-fledged Business Wallet.

A central principle established under this policy option is that actions and transactions carried out through the European Business Wallets' minimum core functionalities carry equivalent legal effect as if carried out in person or in paper form.

To guarantee a high level of trustworthiness, and therefore to ensure that the user can receive and exchange qualified electronic attestations of attributes and credentials related to their identity, the European Business Wallets should be interoperable.

A central element of this policy option is ensuring that the European Business Wallets are not just available on the market but also **widely used in practice**. Economic operators will have a strong incentive to adopt the wallet if they can see concrete improvements and simplifications in their business processes and exchanges with partners and counterparties, as well as being able to rely on it to meet their day-to-day compliance and reporting obligations. For this reason, **public sector bodies play a crucial role** in creating the conditions for uptake of the European Business Wallets. They can create the demand pull to allow economic operators to turn to a single trusted channel instead of navigating multiple fragmented national solutions. By doing so, the European Business Wallets will be the recognised and trusted pathway through which essential commercial and administrative interactions take place. This approach directly responds to the demand from economic operators for simplification and reduces the cost and complexity of cross-border compliance.

The overall direction is clear: the European Business Wallets are intended to support economic operators and become the standard tool for secure and efficient exchanges between the latter and public sector bodies across the EU. Stakeholder consultations conducted as part of the accompanying study reveal strong interest in the initiative, with **86% of surveyed EOs and PSBs indicating a willingness to adopt the Wallet**[64].

The EUBW will complement the EUDI Wallets' digital identity capabilities by tailoring the ability to handle digital **Powers of Attorney** (PoA) for business use cases specifically. A digital PoA will enhance security and trust in legal representation. Legal entities will be able to issue, revoke, and track PoAs digitally through the EUBW, ensuring that only authorised individuals can act on their behalf. This reduces the risk of abuse and potential fraud as well as, and administrative errors, while also providing a legally binding audit trail. The verification of PoAs will also be simplified, as this is often a time-consuming and manual process. The EUBW will aid in automating these processes by providing digitally signed, EAAs that instantly confirm the identity, legal capacity, and representation rights of the assignor, thus significantly reducing the administrative burden for notaries, registries, and economic operators. The Business Wallets would also be compatible with EU Digital Power of Attorney introduced by the Upgrading Digital Company Law Directive (EU) 2025/25. The EUBW will incorporate a mandate-, role- and attribute-based authorisation mechanism allowing businesses to delegate rights and permissions securely and flexibly to representatives. This can be particularly beneficial for SMEs.

[64] Nearly all (95%) of EOs replied positively whether they were willing to adopt the EUBW and more than two-third of PSBs (68%) voiced similar support. The survey gathered responses from 65 participants across 20 different countries. Of these, 35% represented public administrations, while the remaining 65% were Economic Operators, including business associations and educational institutions.

The EUBW will include features like **traceability** and **system integration** (ERPs, CRMs and other core business applications through secure APIs[65]), directly tackling three key problems: fragmented national portals, inefficient administrative processes, and cumbersome compliance obligations. The framework will further guarantee the portability of data in a structured, machine-readable format, ensuring interoperability and avoiding vendor lock-in. To remain future-proof, minimum technical requirements will be defined in legislation so that the system can integrate emerging technology applications such as agentic AI or digital identity for assets.

Finally, the proposed European Business Wallets Regulation will be **use-case-agnostic**: that is to say, specific use cases will not be prioritised in the legislation itself. This approach ensures that the initiative provides a horizontal foundation that enables a wide variety of use cases, while leaving room for the market to develop innovative applications over time. In doing so, the European Business Wallets can serve as a flexible and future-proof solution, capable of adapting to evolving needs across sectors. Nevertheless, to demonstrate the practicality and utility of the European Business Wallets, and to illustrate how it can deliver on the specific objectives outlined in Chapter 4, the table below presents some concrete use cases identified by stakeholders where its use can streamline processes and reduces burdens for economic operators and public sector bodies:

Table 2 – Illustrative use cases to streamline processes and reduce burdens as identified by stakeholders

Use case	Current challenges	How the EUBW streamlines the process	Illustrative effect
Onboarding & Due Diligence – KYC	Manual document collection, costly compliance checks, long processing times (up to 50 days).	Provides verified digital credentials, real-time confirmation of identities, and cross-border interoperability.	Reduces onboarding time from weeks to days; potential 30–50% cost reduction.
Legal Representation - PoA	Time-consuming and expensive manual verification of mandates; apostilles.	Issues, revokes, and tracks PoAs digitally; provides audit trails and cross-border recognition.	SMEs can delegate tasks securely without travelling or duplicating paperwork.
Public Procurement	Lengthy procedures (96 days avg. to award); extensive documentation burdens for SMEs.	Pre-qualified credentials stored in EUBW; automatic validation; digital tender participation.	Faster contract awards; higher SME participation; potential €20 billion/year savings from 1% efficiency gain.
Running a Business- especially cross-border	Repeated submissions, need for physical presence, inconsistent national procedures.	Secure digital submission of verified credentials across Member States; machine-readable format.	Obtaining permits across borders completed remotely in days instead of months.

[65] Enterprise Resource Planning (ERP), Customer Relationship Management (CRM), Application Programming Interface (API). ERPs and CRMs are core business applications that manage key organisational processes - ERPs handle internal operations such as finance, supply chain, and human resources, while CRMs manage customer interactions and sales. Connecting these and other core business tools through secure APIs means enabling safe, standardised data exchange between systems, ensuring interoperability and data protection.

Use case	Current challenges	How the EUBW streamlines the process	Illustrative effect
Tax Management - eInvoicing	Fragmented systems; diverse national formats; invoice fraud; SME compliance costs 1–2% of turnover. VAT fraud losses currently ~€11 billion/year.	Provides trusted identifiers and secure channels; verifies VAT credentials; streamlines reporting.	Cuts fraud risk; reduces SME burden.
Supply Chain (KYS, DPP)[66]	Lack of transparency; multiple identifiers.; weak cross-border recognition.	Links verified supplier data and product credentials to EUBW; supports traceability and sustainability reporting.	Easier compliance with EU sustainability requirements; lower risk of supplier fraud.

6. IMPACTS OF THE POLICY OPTION

This chapter presents the main expected economic impacts (costs and benefits) of the European Business Wallets, as presented in Chapter 5. Costs and benefits are summarised by stakeholder group, public sector bodies (PSBs) and different categories of economic operators (EOs) and are further detailed in Annex 3.

A cost-benefit analysis (CBA) based on the Standard Cost Model[67] was carried out to quantify the costs and benefits in monetary units of four theoretical ranges (10%; 33%; 50% and 75%, presented in more detail in section 7.1) reflecting different levels of adoption of the EUBW by EOs, and to identify the most efficient range, i.e. the one with the highest net benefits (i.e. benefits less costs). The estimates quoted in this chapter are based on mixed-method research including quantitative and qualitative analysis of public sources, survey data and interview data combined with secondary sources. Details on the methodology used to derive the estimates are provided in Annex 4.

6.1. Costs

Owners[68] of the European Business Wallets will incur annual costs for its use. There will be one-off costs in the first year of use and then recurring annual costs going forward. While the scale of these costs will vary depending on the type and size of the entity, they represent the necessary investment

[66] For example, SMEs can save approximately 5% of one full-time employee (FTE) annually by optimising supply chain management, onboarding, and supplier monitoring. These efficiency gains can translate into a global annual saving of around $61.9 billion for SMEs engaged in international trade. Additionally, by reducing the cost and complexity of client onboarding, these tools enhance SMEs' access to financial services, further supporting their growth and competitiveness in global markets.

[67] The main aim of the model is to assess the net cost of administrative obligations imposed by EU legislation: Net costs = costs introduced by a proposal if adopted, minus the costs it eliminates at EU and/or (sub)national level. See: Better Regulation guidelines, Chapter 8 – Methodologies for analysing impacts in impact assessments, evaluations, and fitness checks

[68] For the purposes of European Business Wallets, "owner" refers to the Public Sector Body (PSB) or Economic Operator (EO) to whom the Business Wallet is issued. "Users" are natural persons (e.g. employees, authorised representatives, or third parties) who are granted rights to use the functionalities of the wallet on behalf of the owner.

to access a harmonised, trusted instrument for identification, authentication and secure data exchange across the Union tailored to the need of EOs and PSBs.

One-off costs include:

- Training and onboarding, which primarily reflect the expenses associated with staff training, change management, and the preparation of documentation required to ensure that employees can implement and operate the European Business Wallets effectively[69]. These costs may vary in function of the proportion of employees dedicated to administrative activities, and in function of the type and structure of the entity.

- Activation and IT implementation, including installation of software, database setup and management, integration with proprietary systems. For larger organisations, these costs may also include audit, security, or general expenses linked to system configuration. These costs do not include the decommissioning of existing non-digital processes.

- Procurement[70], consisting of the administrative effort required for contract management and for selecting and contracting European Business Wallet Providers. This step may involve tendering procedures for public sector bodies and contracting or legal expenses for economic operators.

Recurring costs include:

- Licensing fees covering the use of European Business Wallets' services provided by authorised Wallet Providers. These fees also include access to maintenance services provided by Wallet Providers to ensure reliability, compliance with evolving standards, and the continuity of service.

This section explores the costs borne by EOs and PSBs in more detail. In addition, at the end of the section, costs to be incurred at the EU level are also examined.

6.1.1. Costs borne by public sector bodies

The scenario of 100% adoption by PSBs is used as the reference for cost estimations, given that PSBs in the EU must be able to accept the European Business Wallets in their interactions with EOs for purposes such as identification and authentication, signing or sealing documents, submitting documents, and sending or receiving notifications. Assuming 100% adoption by PSBs also ensures that costs are not underestimated. Consequently, the costs borne by PSBs will not vary in function of the examined ranges of EO adoption[71].

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[69] See *Business Wallet Study*, NTT Data, October 2025, Section 3.1.1, and Annex 3, 7.1.2.
[70] This cost category is called "procurement costs" for PSBs, and "contracting costs" for EOs.
[71] The underlying assumption is that 100% of PSBs will adopt the European Business Wallets, and that the corresponding share of usage will depend on the level of adoption by economic operators. PSBs will incur adoption costs irrespective of use because they will need to adopt the EUBW to be ready for any given level of adoption by EOs. For example, even if the EUBW was not widely used by EOs at a given point in time, the PSBs would still need to make the necessary preparations to ensure that EOs can benefit from using the core functionalities of the EUBW. The estimation of licencing fees and maintenance costs assumes that EUBW will not price for PSBs the instrument in function of intensity of use. This does not prejudge the fact that licencing fees may vary in function of the PSB size and related operations complexity (e.g. bigger entities will need a higher number of EUBW accounts).

The total number of PSBs in the EU (including the European Union institutions, agencies, offices and bodies) is estimated at a representative set of 95,825[72]. The table below highlights average one-off and recurring costs per PSB individual entity, calculated as a weighted average, both for the first year of adoption (Y1) and the following year (Y2). In Y2 only recurring costs apply and therefore costs are significantly reduced.

Table 3 – Weighted average annual costs for PSBs

Weighted average costs for Public Sector Bodies (PSBs)	
COSTS	**€**
ONE-OFF COSTS	
Training and onboarding costs	€28,531
Activation and IT implementation costs	€26,890
Procurement costs	€9,121
TOTAL ONE-OFF COSTS	€64,542
RECURRING COSTS	
Licensing fee and maintenance costs	€11,956
TOTAL RECURRING COSTS	€11,956
Y1 TOTAL COSTS	€76,497
Y2 TOTAL COSTS	€11,956

Small local authorities (i.e. defined as local administrations in municipalities with fewer than 5,000 inhabitants) constitute 76.7% of total public administrations (see table 19). While the other categories of public administrations (mid-large local authorities, i.e. with a population of more than 5,000 inhabitants; and regional/central authorities) exhibit higher costs, these represent a much smaller proportion of the total population[73]. The average cost for the most prevalent administration, i.e. small local authorities, is €17,820, which provides a more typical benchmark.

When taking into account the total number of PSBs, the **total estimated costs for all PSBs**[74] in the case of 100% adoption of the European Business Wallets by EOs amounts to around **€7.33 billion** annually in year 1, split between around €6.18 billion of one-off costs and about €1.15 billion of recurring costs.

[72] The purpose was to establish a stable and reliable estimate of PSBs in the EU considered most relevant for interactions with economic operators under the European Business Wallets framework. The figure of 95,825 PSBs is derived by aggregating different administrative level and sizes with a bottom-up approach: 95,068 municipalities, 757 central administrations (regional, national and EU, including 244 regional authorities, 434 ministries, and 79 European Union institutions, agencies, offices and bodies). See *Business Wallet Study*, NTT Data, October 2025, Annex 3, Table 21: Distribution of Public Administrations by size.

[73] For public sector bodies, weighted averages are used for both costs and benefits to allow for the calculation of net benefits. While it has been possible to segment the costs by size of PSB on the basis of headcount into national and regional administrations, large municipalities, and small municipalities, the benefits (see Section 6.2) are segmented by efficiency levels, as size-based data is unavailable and efficiency is the key differentiating factor. Because it was not possible to have more granular data about PSB's benefits by size, the presentation of the costs and benefits is limited to the weighted average to ensure comparability. Limitations to the analytical model are set out further in Annex 4.

[74] Calculated by adding, for of each category of PSB, the average costs of that category multiplied by the total number of PSBs in that category.

Table 4 – Annual costs PSBs: total

ALL Public Sector Bodies (PSBs)	
COSTS	**TOTAL**
ONE-OFF COSTS	
Training and onboarding costs	€2.73bn
Activation and IT implementation costs	€2.58bn
Procurement costs	€0.88bn
TOTAL ONE-OFF COSTS	**€6,19bn**

RECURRING COSTS	
Licensing fee and maintenance costs	€1,15bn
TOTAL RECURRING COSTS	**€1,15bn**

Y1 TOTAL COSTS	**€7,34bn**
Y2 TOTAL COSTS	**€1,15bn**

6.1.2. Costs borne by economic operators

For EOs[75], the split of one-off and recurring costs for different types of EO category[76] are reported at an individual, average entity level in the table below for both years Y1 and Y2.

Table 5 – Annual costs per EO: individual entities

INDIVIDUAL Economic Operators (EOs)			
COSTS	**Microenterprises[77]** <10 employees	**SMEs** 10-250 employees	**Corporates** > 250 employees
ONE-OFF COSTS			
Training and onboarding costs	€520	€1,400	€14,000
Activation and IT implementation costs	€100	€800	€150,000
Contracting costs	€0	€400	€16,000
TOTAL ONE-OFF COSTS	€620	€2,600	€180,000

[75] For the purposes of the costs and benefits calculations, economic operators include both enterprises and natural persons operating as sole traders. For enterprises, the Eurostat definition was used. An enterprise is an organisational unit producing goods or services which has a certain degree of autonomy in decision-making, and can carry out more than one economic activity and be situated at more than one location. It may consist out of one or more legal units: these include legal persons whose existence is recognised by law independently of the individuals or institutions which may own them or are members of them, such as general partnerships, private limited partnerships, limited liability companies, incorporated companies etc. Legal units also include natural persons who are engaged in an economic activity in their own right, such as the owner and operator of a shop or a garage, a lawyer or a self-employed handicrafts-man.

[76] The category of Corporate with 250+ employees is particularly heterogeneous, and a corporate of around 1,000 employees was used as a reference for the estimate. See Annex 4 for more details.

[77] As noted in the previous footnote this includes the self-employed This includes natural persons who are engaged in economic activities who are both incorporated as legal units (see footnote above that includes the definition of enterprises) and who are unincorporated and trade in their own name as natural persons.

RECURRING COSTS			
Licensing fee and maintenance costs	€500	€5,000	€50,000
TOTAL RECURRING COSTS	€500	€5,000	€50,000

Y1 TOTAL COSTS	€1,120	€7,600	€230,000
Y2 TOTAL COSTS	€500	€5,000	€50,000

Assuming 75% adoption, the maximum level of adoption as estimated in the ranges presented in section 7.1, of the European Business Wallet, the **total estimated costs for all EOs** amounts to over **€45 billion in the first year**, split between around €25 billion of one-off costs and around €21 billion of recurring costs. In subsequent years, the total estimated annual costs for EOs will be about €21 billion. The total number of EOs in the EU is 32,721,957, of which 30,836,373 (94,2%) are microenterprises with less than 10 employees, 1,832,523 (5.6%) are SMEs with at least 10 employees, and 53,061 (0.2%) are corporates with at least 250 employees[78]. The table below shows further details regarding the sum of all EOs.

Table 6 – Annual costs EOs: total

ALL Economic Operators (EOs) at 75% adoption				
COSTS	**Microenterprises** <10 employees	**SMEs** 10-250 employees	**Corporates** > 250 employees	**TOTAL**
ONE-OFF COSTS				
Training and onboarding costs	€12.03bn	€1.92bn	€0.56bn	€14.51bn
Activation and IT implementation costs	€2.31bn	€1.10bn	€5.97bn	€9.38bn
Contracting costs	€0	€0.55bn	€0.64bn	€1.19bn
TOTAL ONE-OFF COSTS	€14.34bn	€3.57bn	€7.17bn	**€25.08bn**

RECURRING COSTS				
Licensing fee and maintenance costs	€11.56bn	€6.87bn	€1.99bn	€20.42bn
TOTAL RECURRING COSTS	€11.56bn	€6.87bn	€1.99bn	**€20.42bn**

Y1 TOTAL COSTS	€25.90bn	€10.44bn	€9.16bn	**€45.50bn**
Y2 TOTAL COSTS	€11.56bn	€6.87bn	€1.99bn	**€25.08bn**

In the theoretical scenario of 100% adoption of the European Business Wallet, the **total estimated costs for all EOs** amounts to nearly **€61 billion in the first year**, split between around €34 billion of one-off costs and around €27 billion of recurring costs, including in subsequent years.

[78] See segmentation in *Business Wallet Study*, NTT Data, October 2025, Annex 3, Table 23: Overview of the Economic Operators' landscape in terms of trade engagement levels and digitalisation.

Microenterprises – Considerations on self-employed and sole traders

The cost-benefit analysis applies to all microenterprises using the European Business Wallets, including self-employed individuals and sole traders—who represent approximately 63% of microenterprises when considering one-person businesses[79]. According to the Cost Table on Individual Economic Operators, microenterprises are expected to incur a one-off cost of €620 in Year 1, followed by annual recurring costs of €500 to adopt the European Business Wallet[80].

Self-employed individuals and sole traders could use their EU Digital Identity Wallets to access existing business-related trust services—such as electronic signatures, timestamps, and seals—as well as the newly introduced communications channel to interact with the Business Wallet ecosystem. These services can be accessed as standalone offerings, as a possible alternative to purchasing a fully-fledged Business Wallet. Based on current market prices across the EU, estimated annual recurring costs for such standalone services are:

- €45 for the new communications channel
- €150–200 for electronic signatures
- €350–400 for seals
- €235–285 for timestamps[81]

This suggests that self-employed individuals and sole traders could access the Business Wallets ecosystem starting at a relatively low cost (starting at €45). For those who make more extensive use of trust services, opting for a fully-fledged Business Wallet may be more cost-effective.

6.2. Direct benefits

Measuring the impact of reducing administrative burdens remains complex. As noted in the Draghi Report[82], there is no common EU methodology[83] or coordinated approach for assessing such impacts. As a result, aggregate quantifications of regulatory burdens in the EU are fragmented, and available estimates often stem from private-sector initiatives[84].

For the purpose of this Staff Working Document, the analysis of the cost-savings potential focuses on the improvements that the European Business Wallets can bring to EOs by facilitating compliance and reporting obligations through the automation of processes, and to PSBs by streamlining related interactions. For the purposes of this SWD, direct benefits represent the potential maximum annual savings that could be realised by PSBs and EOs through the reduction or elimination of manual processes in administrative activities, enabled by digitisation and automation following adoption of the wallets. These annual benefits have been estimated through the cost-benefits analysis. Nevertheless, the estimation of these maximum direct benefits for the purpose of the CBA is

[79] Based on 2023 Eurostat figures for Self-employed persons without employees (own-account workers), accounting for 19.3M in the EU and compared to the 30.8M of microenterprises in scope.
[80] These costs at entity level for microenterprises have been used to calculate the total costs as reflected in the Cost Table on "All Economic Operators"; see also Annex 4.
[81] The average estimated yearly costs refer to the purchase of about 100 electronic signatures, seals and timestamps
[82] Draghi report, Part A, chapter 6: p. 68.
[83] The Commission has developed a methodology (the Standard Cost Model) to calculate regulatory burdens.
[84] Draghi report, Part B, chapter 1, p. 11; Part B, chapter 5, p. 317.

conservative in that it is limited to direct benefits as cost savings. Additional benefits that do not fall under the category of cost savings are analysed, together with indirect benefits, in chapter 8.

The supporting European Business Wallets study[85] has selected for its purposes six categories of administrative activities expected to be impacted by the EUBW, which constitute the estimated direct benefits as cost-savings opportunities that could be realised by PSBs and EOs, including examples of such activities:

Table 7 – Categories of administrative activities where cost-savings are expected

Category	PSBs	EOs
Identification & authorisation	• Verifying the legitimacy of EOs, including conducting anti-fraud and security checks • Confirming identities of the company's representatives or applicants (e.g., checking eID, mandates)	• Verifying the legitimacy of other EOs • Presenting proof of the company representative's identity and authorisation (e.g. providing mandates or using qualified digital signatures on documents)
Exchange of documents and information	• Receiving and processing documentation and information (e.g., application files, certificates, declarations) • Ensuring secure exchange channels for receiving documents and data, and sending acknowledgments or requests for further information	• Preparing required documentation (e.g., certificates, permits) • Securely submitting or sharing documents, attributes, and attestations • Providing self-declarations or statements (e.g., responsible statements attesting compliance) and producing any required product or service information
Compliance and verification	• Verifying authenticity of documents and checking that the EO meets all requirements • Performing compliance checks and due diligence (including cross-checking across databases and conducting inspections/audits).	• Complying with verification requests by providing additional evidence or clarification • Confirming that submitted materials meet formality requirements
Record keeping and data management	• Keeping detailed records of data and documents received (e.g., filing applications, storing certificates and correspondence). • Updating and managing data over time, ensuring information remains current in government systems	• Maintaining internal records of specific business or administrative process (e.g., a repository of credentials, permits, actions made or persons represented through the Power of Attorney) and ensuring they are up to date

[85] *Business Wallet Study*, NTT Data, October 2025, Annex 2, Table 11: Identified relevant and administrative activities.

Category	PSBs	EOs
		(e.g. tracking expiration dates of certificates and renewing them on time). • Updating information previously given to authorities where changes occurred
Permissions and certification	• Providing requested credentials and certificates • Issuing identification numbers • Facilitating applications for permissions and certifications	• Applying for and obtaining necessary credentials, licenses, or certificates to operate in specific sectors or locations
Cross-border coordination and recognition	• Verifying documents issued by other PSBs across borders within the EU	• Identifying the correct authority in another Member State, and adapting to specific requirements and procedures.

The impact of the European Business Wallets will largely depend on their adoption by EOs and PSBs in their respective interactions (B2G, G2B)[86]. For other types of interactions (i.e. B2B), network effects are expected to generate a positive spillover, for example from B2G/G2B into the B2B domain. Accordingly, the estimation of the direct benefits takes into account these different types of interaction and varies in function of the adoption rate of EOs in particular.

Direct benefits, defined for the purpose of this analysis as cost-savings resulting from the digitalisation or automation of administrative activities for both PSBs and EOs, have been estimated using the EU Standard Cost Model. The estimation builds on the categories of administrative activities listed in Table 7 and is based on a calculation of administrative costs, taking into account the following variables[87]:

- time spent on each administrative activity and its frequency, calculated on the basis of primary data collected through the survey conducted by the Business Wallet study;
- hourly labour costs per employee, based on official statistical data;
- number of employees per entity and the share of staff involved in administrative activities;
- total number of entities concerned.

The calculation formulas applied for PSBs and EOs, together with additional methodological details, are set out in Annex 4.

At an individual entity level, the direct benefits per PSB are estimated at about **€199,600**[88]. It was not possible to disaggregate this amount per category of PSBs, as the underlying data point used for the

[86] This concerns the acceptance and use of the minimum EUBW functionalities for the purposes of identification, authentication, the submission of documents, and the sending and receiving of notifications within the context of meeting reporting obligations or fulfilling administrative procedures.
[87] See *Business Wallet Study*, NTT Data, October 2025, Section 7.1.3 Estimating benefits.
[88] See *Business Wallet Study*, NTT Data, October 2025, Section 7.1.3, Table 29 Annual benefits by category for an average Public Sector Body.

calculation is not available in a disaggregated form[89]. For EOs the direct benefits are broken down as follows:

[89] The calculation is based on a tariff approach using a weighted average of labour costs for civil servants across the EU. This data is not available in a form segregated by PSB administrative level or size, which prevents further disaggregation. See *Business Wallet Study*, NTT Data, October 2025, Section 7.1.3, Table 29 and Annex 3, 7.1.5.

Table 8 – Annual direct benefits EOs

INDIVIDUAL Economic Operators (EOs)			
BENEFITS	**Microenterprises** <10 employees	**SMEs** 10-250 employees	**Corporates** > 250 employees
DIRECT BENEFITS	€4,000	€42,250	€97,300

Assuming a 75% level of adoption, the **total direct benefits** were estimated at around **€169 billion**, split into approximatively €14 billion for PSBs and €155 billion for EOs[90]. These estimates therefore represent the estimated **upper bound of potential benefits**, corresponding to the gains that could result from replacing all manual processes with streamlined digital processes enabled by the European Business Wallets, in case of 100% adoption by PSBs and 75% by EOs[91].

To estimate the **minimum expected direct benefits** in relation to the 75% adoption scenario, survey replies were taken into account[92]. Respondents were asked: *"To what extent do you believe that digitalising the previously listed activities with a unified European framework could reduce the cost of performing them?*[93]".

- Among 24 PSB respondents[94], 48% expected a very large or large reduction (above 30%), and 35% a moderate reduction (10%-30%). Assigning a minimum value to each range[95] resulted in a weighted average **minimum reduction** of **22%**.
- Among 38 EO respondents[96], 79% expected a very large[97] or large extent (above 30%) reduction, and 16% a moderate reduction (10%-30%). The weighted average **minimum reduction** was **36%**.

Survey replies were also further validated in in-depth interviews with selected survey respondents. See Annex 4 for further details.

Applying these percentages to the direct benefit estimates for each category of stakeholder resulted in a **total minimum direct benefit** of **€58.42 billion** for PSBs and EOs combined. The overview of minimum and maximum benefit estimates is presented in the table below.

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[90] See *Business Wallet Study*, NTT Data, October 2025, Section 7.1.3.
[91] This corresponds to range 4 as examined in the following sections. In the theoretical scenario of 100% adoption by both PSBs and EOs, the total direct benefits would be estimated at around €225 billion, split into approximatively €19 billion for PSBs and €206 billion for EOs
[92] The minimum benefits are not explicitly referred to in the support study, but they result from a further elaboration of replies to the survey conducted in the context of the same Business Wallet Study.
[93] The reply options were: "I don't know"; "Not at all"; "To a small extent (up to 10% reduction)"; "To a very large extent (more than 50% reduction); "To a large extent (30-50% reduction)"; "To a moderate extent (10-30% reduction)".
[94] Excluding the "I don't know" option, which amounted to 1 reply.
[95] Assigned value were: 0% for "Not at all"; 1% for "To a small extent (up to 10% reduction)"; 51% for "To a very large extent (more than 50% reduction); 30% for "To a large extent (30-50% reduction)"; 10% for "To a moderate extent (10-30% reduction)".
[95] Excluding the "I don't know" option, which amounted to 1 reply.
[96] Excluding the "I don't know" option, which amounted to 2 replies.
[97] 50% of the EO respondents expected a very large reduction (more than 50% reduction).

Table 9 – Annual minimum and maximum direct benefits: PSBs and EOs

	Min direct benefits	Max direct benefits
PSB	€3.10bn	€14.34bn
EO	€55.32bn	€154.45bn
	€58.42bn	**€168.79bn**

6.3. Net benefits

Taking into account the cost and direct benefits presented in the previous sections, and under the scenario where 75% of PSBs and EOs adopt the European Business Wallets, the table below provides an overview of the maximum total **net direct benefits** for the **first year**[98], estimated at **€115.97 billion**. Once the one-off costs have been absorbed, the maximum **net direct benefits** increase to **€147.22 billion** in the **second year.**

Table 10 – Overview of maximum net benefits year 1 and year 2: total

Stakeholder	No. in the EU	Year 1 (€bn)			Year 2 (€bn)		
		Benefits	Costs	**Net benefits**	Benefits	Costs	**Net benefits**
Public sector bodies	95,825	14.32	7.32	**7.02**	19.13	1.14	**13.20**
Economic operators	32,721,957	154.45	45.50	**108.95**	154.45	20.43	**134.02**
Total		168.79	52.82	**115.97**	168.79	21.57	**147.22**

7. ANALYSIS OF DIFFERENT USAGE RATES

7.1. Ranges of adoption by economic operators

As mentioned in section 6.2, the direct benefits are estimated as a function of adoption rates by EOs. This chapter presents an overview of the variation of benefits on a progressive scale of usage of the EUBW in function of the adoption by EOs.

For the purpose of the cost-benefit analysis, the following definitions were used[99]:

- *Adoption rate*: the share of stakeholders that will have adopted the EUBW. Adoption automatically generates costs regardless of whether the tool is actively used in interactions with other EUBW owners.
- *Usage rate*: the effective use of the EUBW in practice, derived from the engagement EOs have with PSBs. It is calculated by multiplying the different levels of EO adoption rates by

[98] Counting both one-off and recurring costs.
[99] The definition of "engagement rate" has been incorporated into the definition of "usage rate". See Business Wallet Study, NTT Data, October 2025, Annex 4.

the PSB adoption rate. Usage, rather than adoption alone, determines the extent to which stakeholders can realise benefits, since adoption without actual use yields no cost savings.

The adoption rate for PSBs is assumed to be at 100%, reflecting the requirement for PSBs to enable the use of the core functionalities of European Business Wallets by EOs (i.e., proving identity, signing/sealing, submitting documents, or receiving official notifications). For EOs, a set of adoption ranges has been defined to capture progressively higher potential levels of adoption, as summarised below[100].

- Range 1 (10.43%) represents the estimated share of EOs whose readiness to adopt the EUBW is based on a combination of two factors: activity across-borders in the EU and high digital intensity[101]
- Range 2 (33%) represents the assumption that one third of EOs will adopt the EUBW. This range is consistent with the threshold used to estimate adoption in the 2021 Impact Assessment[102]
- Range 3 (50%) represents the assumption that one half of EOs will adopt the EUBW.
- Range 4 (75%) represents a realistic upper bound adoption target of the EUBW by EOs, and is also in line with industry ambitions as derived from the DigitalEurope KPI for use of business wallets by 2030[103]

Finally, the total achievable level of benefits is a theoretical scenario of 100% adoption by all EOs.

7.2. Net direct benefits across ranges

For each adoption range by EOs, both the costs incurred and direct benefits for PSBs and EOs have been analysed. Costs – both one-off and recurring – vary in proportion to the **adoption rate**. In practice, 100% of the PSBs will incur costs, as will those EOs that take up the instrument[104]. Direct benefits[105] – estimated as annual savings that could potentially be realised by PSBs and EOs through the reduction or elimination of manual processes in administrative activities – vary in function of the estimated **usage rate**[106], which reflects the interaction dynamics between EOs and PSBs. The

[100] The ranges used in the accompanying study provided a basis for further analysis as reflected above.
[101] Calculation based on readiness index combining rates of highly digitised companies and of companies operating across borders within the EU. See *Business Wallet Study*, NTT Data, October 2025, Annex 3, Table 23 (Overview of the Economic Operators' landscape in terms of trade engagement levels and digitalisation)
[102] The 2021 Impact Assessment had three intermediary ranges: 20%, 33%, 67%. The range of 20% was substituted with the 10.43% resulting from the analysis of the support study, and the range of 67% was substituted with the 50% representing a near midpoint between 33% and the maximum threshold of 75%. Regarding the 2021 Impact Assessment, see the section on economic impacts of the *Study to support the impact assessment for the revision of the eIDAS regulation*, PWC and DLA Piper, 2021, pages 135 and following. https://data.europa.eu/doi/10.2759/671740
[103] Derived from the proposed DigitalEurope target KPI for business wallet use in cross-border legal, administrative and commercial interactions by EU businesses by 2030; see: https://www.digitaleurope.org/public-administration/. See more in Annex 4.
[104] All PSBs are considered for the purpose of estimating costs. PSBs are classified in different size categories, namely European Union institutions, agencies, offices and bodies, Central administrations (national and regional governments), Mid-Large Local Administrative Units (municipalities with 5.000+ inhabitants and other LAUs), and Small Local Administrative Units (municipalities with < 5.000 inhabitants).
[105] Direct benefits have been presented in Chapter 6. For further details on how direct benefits are calculated, please refer to Annex 4.
[106] See *Business Wallet Study*, NTT Data, October 2025, Section 7.1.1.

resulting net direct benefits are calculated for the first year (Y1) by considering both one-off and recurring costs, and for the second year (Y2) by only keeping recurring costs. An overview is presented in the table below.

Table 11 – Annual net direct benefits: overview by ranges of usage

Annual net direct benefits (€ bn)	1	2	3	4
Adoption rate EOs *(PSBs are 100%)*	10.43%	33%	50%	75%
Usage rate PSBs / EOs *(same value for PSBs and EOs)*	10.43%	33%	50%	75%
Gross direct benefits	23.47	74.27	112.53	168.79
Costs (one-off) – *incurred in Y1 only*	9.66	17.21	22.89	31.25
Costs (recurring)	3.98	10.13	14.76	21.57
Y1 net direct benefits	**9.83**	**46.93**	**74.88**	**115.97**
Y2 net direct benefits	**19.49**	**64.14**	**97.77**	**147.22**

This results in net direct benefits for each of the four ranges as summarised in the overview below[107]. The ranges refer to the EO usage rate, and the direct benefits reflect the actual savings by different categories of stakeholders corresponding to different levels of usage. For an explanation of the minimum and maximum bounds, please see section 6.2.

Table 12 – Annual net direct benefits: split PSBs and EOs by ranges of usage

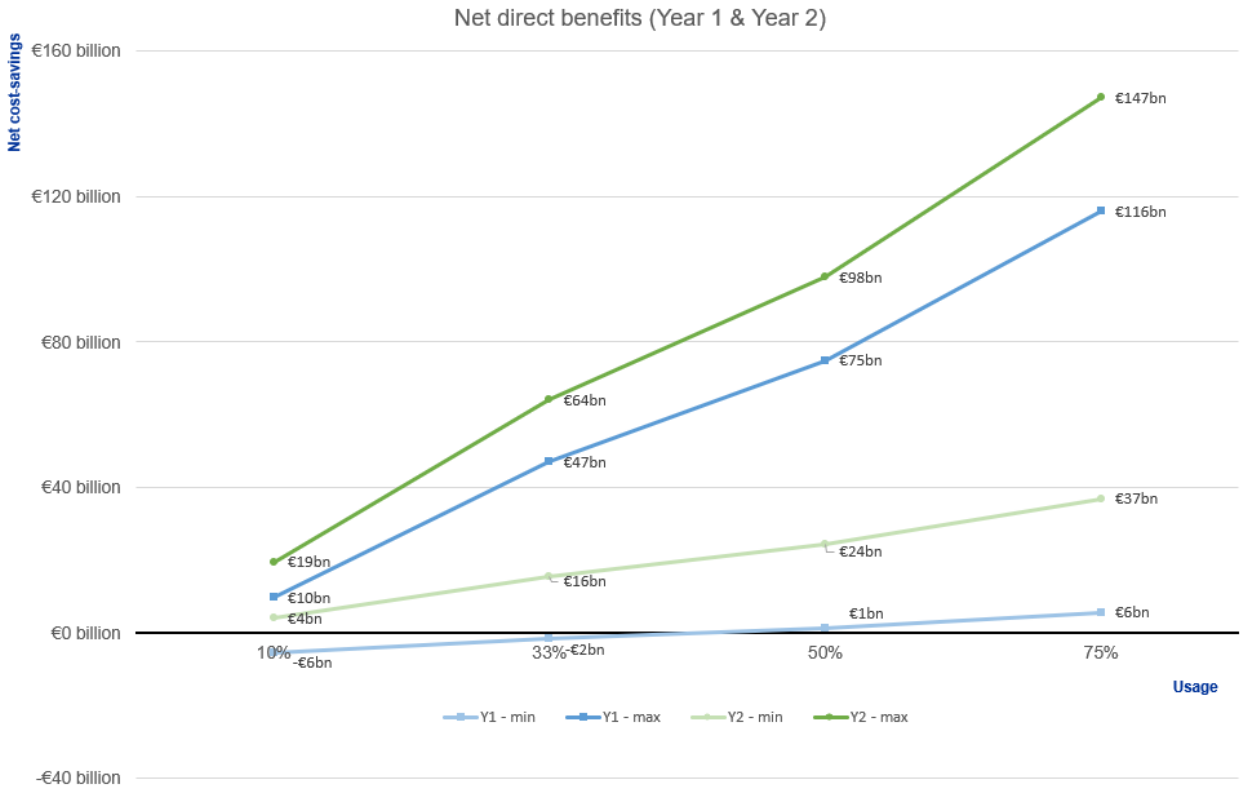
Net benefits per adoption range (€ bn)		**Range 1 – ~ 10%**		**Range 2 – 33%**		**Range 3 – 50%**		**Range 4 – 75%**	
		PSBs	**EOs**	**PSBs**	**EOs**	**PSBs**	**EOs**	**PSBs**	**EOs**
Y1 net benefits	**Min**	**-6.89**	**1.37**	**-5.96**	**4.32**	**-5.25**	**6.54**	**-4.22**	**9.82**
	Max	**-5.33**	**15.15**	**-1.01**	**47.94**	**2.24**	**72.63**	**7.02**	**108.95**
Y2 net benefits	**Min**	**-0.71**	**4.85**	**0.22**	**15.35**	**0.92**	**23.26**	**1.96**	**34.89**

[107] Further details on the figures of net direct benefits for PSBs and EOs in function of EO adoption ranges are provided in Annex 4.

	Max	**0.85**	**18.64**	**5.17**	**58.97**	**8.42**	**89.35**	**13.20**	**134.02**

The scale of these gains is evident when comparing the total direct benefits in year one and year two across the ranges. The span of outcomes from the most conservative ~10% usage of range 1 to 75% usage in range 4 is illustrated in the graph below, which shows net direct benefits – both maximum and minimum – in relation to usage.

Figure 3 – Evolution of minimum and maximum annual net direct benefits by usage rate in years 1 and 2



Minimum direct benefits are slightly negative at around -€6 billion in the most conservative adoption scenario (range 1, year one), to become then positive at around €4 billion in year two of the same range 1. Minimum benefits reach their highest value in range 4. In this case, range 4 delivers around €6 billion minimum benefits in year one and around €37 billion in year two.

Maximum direct benefits are already positive at around €10 billion in the most conservative scenario (range 1, year one), to further increase at around €19 billion in year two of the same range 1. Maximum benefits peak in range 4, reaching around €116 billion in year one and around €147 billion in year two.

This confirms that 75% adoption and usage by both PSBs and EOs enables the EUBW to realise its full potential in terms of efficiency gains. Range 4 is therefore the most effective and efficient way to achieve the policy objectives while maximising overall minimum net benefits for the EU economy. Existing Union initiatives for digital transformation and capacity-building, which can help alleviate training and adaptation costs, could support the attainment of the highest levels of adoption and usage of the EUBW, thus reinforcing the maximisation of the benefits.

In the next chapter, direct benefits to other stakeholders (e.g. European Business Wallet Providers) will be presented, as well assessing the indirect benefits resulting from the introduction of the EUBW, such as increased market competitiveness, stronger trust in digital services, and environmental gains (see Chapter 8).

8. ADDITIONAL AND INDIRECT BENEFITS

Chapters 6 and 7 have outlined the net direct benefits that the European Business Wallets are expected to bring to their immediate users, PSBs and EOs. These maximum direct benefits were calculated conservatively, focusing exclusively on cost savings from the reduction or elimination of manual administrative activities. Beyond these effects, the EUBWs are expected to generate additional benefits for both PSBs and EOs, which go beyond the scope of direct cost savings. Further gains are also anticipated for other stakeholders, notably the specialised companies that may become authorised providers of the European Business Wallet. These additional benefits are discussed in the first part of this chapter. Finally, the widespread adoption of the European Business Wallet is expected to deliver broader systemic impacts at EU level. These indirect benefits, which include economic, social, and environmental dimensions, are described in the second part of this chapter.

8.1. Additional benefits

8.1.1. Benefits for European Business Wallet users: PSBs and EOs

The adoption of the European Business Wallets will generate benefits for its users that are not limited to cost-savings resulting from the reduction or elimination of existing processes. These were not however included in the cost-benefit analysis. These additional gains relate to areas such as: improvements in IT integration and system consolidation, cybersecurity and digital sovereignty, operational efficiency, and improved interactions for regulatory purposes.

For both PSBs and EOs, the EUBWs can enable the replacement or integration of multiple, fragmented identity verification and authentication systems into fewer, or even single, unified solution. Such consolidation of IT systems creates opportunities to leverage synergies in the IT architecture to increase economies of scale, ensure greater consistency between them and to unlock opportunities associated with increased operational performance. For PSBs in particular, this can translate into simplification and costs reduction in the maintenance and operation of IT systems. At the same time, for EOs, the same consolidation can enable efficiency gains in data management: businesses will be able to store their identity attributes locally or in secure, decentralised manners rather than centralised cloud databases. This can result in lower storage costs and reduced data management overhead, and only necessary attributes need to be shared for each transaction thus reducing the amount of redundant data to be stored in corporate systems.

The EUBWs can also enhance the cyber resilience of both EOs and PSBs by providing them with a framework for trusted interactions that considers the core pillars of cybersecurity by design. The EUBW guarantees confidentiality, integrity and authenticity of documents, attributes and messages and ensures availability of trust services, hardening essential and shared digital infrastructure against varied cyberattacks. Moreover, for PSBs in particular, the harmonisation of technical requirements for EUBW solutions via standards and specifications is in line with the objectives of increasing digital sovereignty, as it enables continuous monitoring, common risk assessment and coordinated updates of criteria across the Union, in the face of an evolving threat landscape. Conformity assessment of EUBW solutions ensures adequate implementation of security controls to certify a high common level of cybersecurity for all provided solutions, which is inherited by all applications built on top of EUBW. All these safeguards and actions counterbalance the increased cyberattack surface derived from digitising manual/paper-based activities.

In addition to the IT and security benefits, the European Business Wallets are expected to lower operational costs for both EOs and PSBs. For example, EOs can leverage the European Business Wallets to reduce operational costs related to customer/supplier reach, acquisition and onboarding, customer/supplier management (including master data management and contract management) and customer/supplier retention and support. These benefits for EOs include for instance the automation and optimisation of internal business processes as well as the transformation of customer/supplier touchpoints and interactions. In this regard, some stakeholders have carried out research limited to specific geographical markets and/or use cases, or empirical research regarding sectors. For example, a study on organisational digital identities in Germany shows that the optimisation of suppliers dataset management could unlock potential savings of up to €85 billion for companies in B2B contexts[108]. In a separate example concerning financial services, banks could use the Wallets (e.g. leveraging identification and signature functionalities of the Wallets) to facilitate KYC processes in terms of document validity and collection, screening and final approvals, thus reducing costs. The potential is significantly high, considering that today banks experience KYC costs for each corporate customer of about €275 and face lengthy duties that take banks' employees between 18.5h and 62h to complete each KYC process[109].

For PSBs, the European Business Wallets are expected to generate significant efficiency gains by simplifying and automating internal procedures. Routine and manual tasks such as document handling and data entry can be increasingly digitalised, reducing reliance on manual processes and thereby lowering the risk of human error[110]. This will enhance the accuracy and reliability of information exchanges, while accelerating decision-making and service delivery, bringing efficiency gains resulting from reduced back-office processing times.

The European Business Wallets can also improve regulatory interactions between PSBs and economic operators. Many PSBs at EU, national and regional levels act as competent authorities, supervisors or regulators, and therefore maintain regular exchanges with supervised/regulated entities. For these authorities, secure, efficient and legally certain communication channels are essential to ensure timely information exchange, compliance monitoring and enforcement. Insofar as it provides a harmonised digital framework for the transmission of verified data and documents, the EUBWs can strengthen the quality and reliability of supervision while reducing administrative friction on both sides. This will enable PSBs to better fulfil their regulatory mandates and to make more effective use of RegTech solutions, further increasing transparency and accountability in oversight activities. From the perspective of EOs, the EUBWs can facilitate faster, more proactive and constructive engagement with authorities, as it makes it easier to establish or maintain contact with regulators and to clarify obligations at an early stage. This can also encourage participation in regulatory sandboxes and similar controlled environments, where new technology can be tested under dedicated supervision, and accelerate the exploration, compliant deployment, and consequent uptake of innovative products and services.

Finally, direct and indirect benefits identified for PSBs include European Union institutions, agencies, offices and bodies (EUIBAs) which are expected to be EUBW users. As large administrative entities handling significant volumes of exchanges with EOs, EUBIAs can use the

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[108] See *Organisational digital identities: Cost saving estimation for the Use Case „Know your Supplier" based on automated master data management with EUDI wallets for legal entities*, European School of Management and Technology GmbH (ESMT), December 2024, Berlin. Available at: https://cdn.table.media/assets/europe/20241216_bmwk_kys_savings_final_v2.pdf.

[109] Perpetual KYC: A new approach to periodic reviews, PwC.

[110] See *European Business Wallet Study*, NTT Data, October 2025, Sections 2.3.3 and 3.2.3.

EUBW to improve efficiency, data accuracy, security, auditability, and responsiveness in their operations.

EUIBAs act as regulatory or supervisory authorities across multiple policy areas. In these roles, they would particularly benefit from the simplification and cost reductions resulting from the consolidation and modernisation of IT systems. The EUBW could facilitate secure and traceable exchanges of official documents and data. The availability of a legally recognised, standardised communication channel will help reduce fragmentation between IT systems currently used and strengthen the overall quality of supervision and coordination with national competent authorities. enabling greater efficiency in document management and administrative processes.

8.1.2. Benefits for future European Business Wallet providers

The market for digital identity and trust services in the EU is already expanding rapidly, and this growth will accelerate even more when the EU Digital Identity Wallets under the European Digital Identity Framework will be available across Member States by end of 2026. Over the coming years, a significant increase in demand is expected for functionalities such as identification and authentication, issuance, storage and exchange of electronic attestations of attributes, and trust services.

The total market value of these functionalities that relates directly to businesses, and is therefore relevant for the European Business Wallets, is estimated at €1.0 – €1.7 billion in 2024 with an expected rise to €4.8 – €10.3 billion by 2030[111]. This trend creates a favourable environment for wallet providers, as the user base of digital wallets expands steadily.

Beyond the impact that the EUBW has on potentially growing direct revenues, it also creates indirect opportunities for innovation. Providers will be able to design commercial offers that bundle the minimum core functionalities with value-added services tailored to sector-specific or entity-specific needs. This flexibility will enable the emergence of new business models. In this way, the EUBW Regulation will not only consolidate existing markets but also establish the conditions for providers to capture the full growth potential of digital trust services and other functionalities enabled by the future European Business Wallets.

8.2. Indirect benefits

Indirect benefits are positive outcomes that arise not directly from the introduction of the European Business Wallets, but represent secondary effects that enhance economic, societal and environmental conditions more broadly. They can be assessed by considering the EU market as a whole, going beyond the selected administrative activities considered for the direct benefits and the additional benefits discussed in the first part of this chapter.

Indirect benefits are not attributed according to specific categories of economic operators and public sector bodies, or even other groups of specific stakeholders, but are considered collectively. Indirect benefits have been assessed in relation to 75% usage of the EUBW by stakeholders corresponding to range 4. Indirect benefits are often challenging to quantify, as they are less tangible and longer-term than direct benefits. Therefore, where it was possible to make an estimation, taking into account these challenges, the calculations were based on conservative assumptions and the lower bound estimates from the European Business Wallets supporting study. Where no quantified estimate was provided,

[111] Estimates based on internal research, using publicly available sources and expert input.

this was either due to the absence of granular data points or baseline data, or because the scope was too broad o be translated into measurable, quantitative metrics.

The indirect benefits of the European Business Wallets have been assessed according to the following three categories:

Table 13 – Categories of indirect benefits

Categories		Sub-categories	
I.	**Economic opportunities and market competitiveness**	a.	Reallocation of resources and cross-border service expansion
		b.	Fraud reduction
		c.	Data transparency
II.	**Trust and resilience**	a.	Trust in digital transactions and services
		b.	Crisis resilience and continuity
III.	**Environmental sustainability**	a.	Reducing emissions
		b.	Facilitate sustainability compliance and reporting

8.2.1. Economic opportunities and market competitiveness

In the category of **economic opportunities and market competitiveness**, three sub-categories of indirect benefits have been identified. Firstly, the EUBW, PSB and EO users can reallocate resources freed up from repetitive administrative activities through the EUBW towards added-value activities service improvement, (product) innovation, and the expansion of the scope or quality of their operations. For PSBs, wide usage of the EUBW could contribute to a significant increase in the level of available public services online, estimated at 42% for cross-border and 8% for national services[112]. The expected time gains due to increased administrative efficiencies and the subsequent reallocation of resources are not limited to the availability of public services but extend to the overall quality of public service delivery, for instance in terms of accuracy and timeliness of response, not only vis à vis businesses but also citizens. For EOs, these developments are expected to result in increased business opportunities. The reduced time and effort spent on administrative activities is expected to enable EOs to reallocate savings to improve products and services and to promote innovation in the EU market[113].

In addition, the EUBW drives service expansion and cross-border adoption of digital services more broadly within digital economic sectors. By facilitating access to digital infrastructure and digital services, and by supporting the standardisation of digital processes across Member States, the EUBW can help boosting the completion of the EU digital Single Market[114]. According to the European

[112] This figure is based on the current share of public services that are fully online: 58% of cross-border and 92% of national public services. See European Business Wallet Study, NTT Data, October 2025, Annex 4. See in particular European Commission. (2025). E-government Benchmark 2025. Available at: https://op.europa.eu/en/publication-detail/-/publication/5f3a75d9-4739-11f0-85ba-01aa75ed71a1/language-en

[113] See *European Business Wallet Study*, NTT Data, October 2025, Annex 4.

[114] Mentioned in in-depth interviews with Public Administrations and in a Call for Evidence (DigitalTrade4.eu)

Parliamentary Research Service[115], "completing the digital single market could generate benefits of around 110 billion euro annually. The European Business Wallet could significantly contribute to this objective across several areas such as e-commerce, e-procurement, e-payments, e-invoicing, e-government, cloud computing. However, the exact contribution of the EUBW to this benefit cannot be isolated, given the numerous initiatives and exogenous effects coming into play. Even though the contribution the EUBW would bring to this benefit is difficult to estimate, even a conservative estimate would suggest a significant positive contribution. Furthermore, the European Business Wallets are expected to positively influence digital government key enablers (which includes eID, eDocuments, digital post, eSafe, and single sign-on), for which empirical research shows a positive correlation with entrepreneurship[116]. Simplified procedures for proving legal status, ownership, and compliance attributes, including across borders within the EU, will make it easier and quicker for entrepreneurs to set up new companies. Widespread EUBW adoption could contribute to increase entrepreneurship density (number of active businesses per capita) by 2,09%[117], corresponding to an estimated creation of around 680,000 new firms annually. These new companies would benefit from faster entry into the market EU-wide, as their digital credentials would be valid and reusable across the Union. The indirect benefits of this increased business formation can be quantified in terms of avoided entry and compliance costs. Assuming that the compliance costs of starting a business in the EU are around €1,857 per economic operator[118] and considering the conservative approach used for minimum direct benefits calculation for EOs (see section 6.2 with the 36% multiplier for administrative cost savings that can be achieved by using the EUBW), this would result in indirect benefits related to avoided entry and compliance costs of up to **€0.45 billion**.

Secondly, the European Business Wallets will secure, digitise and standardise B2B and B2G interactions and information exchanges across Member States, streamlining processes.. Better data transparency improves accuracy of information , which in turn facilitates the streamlining of processes and policy enforcement while allowing for better fraud reduction. It is estimated the European Business Wallets could generate savings derived by fraud reduction by **€4.96 billion**[119]. This would also lead to an increase in citizens' trust in public sector bodies. Moreover, standardised

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[115] Completing the digital single market (110 billion euro) - https://www.europarl.europa.eu/RegData/etudes/STUD/2019/631745/EPRS_STU(2019)631745_EN.pdf

[116] Relationship supported by the paper "Is e-government a driver to enhance entrepreneurship? An empirical investigation of European countries", Entrepreneurship Research Journal, August 2022. See See Business Wallet support study, table indirect benefits.

[117] This figure represents how much the increase of entrepreneurship density can be influenced by the adoption of the EBW. It is derived from the percentage increase, 12.38% (from 71.1% to 79.9%), in the average score for business life events in the e-Government Benchmark for business life events. This measures whether services are available online, easy to use, transparent, accessible across borders, and supported by key digital tools like eIDs and online payments. This percentage is multiplied by 0.68, which is the average of two statistically significant coefficients obtained from different econometric models measuring the impact of digital public service key enablers on entrepreneurship density, and then corrected by a 25% adjustment factor to take account of the fact that in the eGovernment Benchmark, 5 of 20 Business Life Events relate to starting a business. This translates a 2.09% growth rate which, when multiplied by the total number of enterprises (32,721,957) in the EU, results in approximately 680,000 new businesses.

[118] Word Bank data suggests that an entrepreneur in a high-income economy typically spends 4.2% of the country's per-capita income to launch a business. See Doing Business 2020. Comparing Business Regulation in 190 Economies, World Bank Group, 2020. https://documents1.worldbank.org/curated/en/688761571934946384/pdf/Doing-Business-2020-Comparing-Business-Regulation-in-190-Economies.pdf Assuming an average nominal GDP per capita for the European Union to be €44,220, this would mean a cost of €1,857 per business.

[119] The estimated savings are aligned with the 2021 Impact Assessment by including all industries rather than limiting to the four sectors considered in 2021. To calculate the savings potential, the baseline of €24.8 billion has been used, representing the 2024 estimated fraud damage to the EU budget as shown in the latest Annual Report of the European Public Prosecutor's Office (EPPO). https://www.eppo.europa.eu/en/media/news/2024-annual-report-eppo-leading-charge-against-eu-fraud

data also creates the conditions for AI-driven automation[120], by providing more consistent datasets for training and deployment. The specific contribution of AI-driven automation to indirect benefits was **not quantified**, because it is assumed to be captured across other sub-categories.

Finally, by improving access, transparency and quality of company data, the European Business Wallets are expected to centralise company information and facilitate automation of different business activities. For example, this can have an indirect impact on the business information market, with expected increased revenues for specialised data providers' companies as compared to a scenario where the European Business Wallets were not introduced. The resulting indirect benefits calculated as the corrected growth – due to the arrival in the market of the European Business Wallets – of the company information market value is estimated at **€1.35 billion**.

8.2.2. Trust and resilience

Central to the proposal for European Business Wallets is a strategic extension of trust. With regard to the category of **trust and resilience**, two sub-categories of indirect benefits have been identified. As far as trust in digital transactions and services is concerned, the European Business Wallet will facilitate the harmonisation of digital structures and mandate management, increasing trust in public administrations and businesses, as well as confidence in digital transactions and services. For example, the EUBWs can streamline public procurement by automating the submission of administrative documents and enabling digital participation in eProcurement and tendering. It can also contribute to the Public Procurement Data Space, supporting greater transparency, efficiency, innovation, and evidence-based policymaking[121]. Based on the "The digital trust index" global report[122] and adjusting the analysis to consider EU- and Euro-using countries only, an increase of 1% in a country's prevalence of digital trust drives a €509 increase in GDP per capita while a 5% increase in a country's prevalence of digital trust drives a €2,547 increase in GDP per capita. Based on the 1% estimated increase that can be conservatively applied by considering the European positive trend in digital trust growth and the significant contribution of the EUBW in digital trust, this translates to an impact of **€16.66 billion**[123].

The EUBW can play a pivotal role in resilience, crisis management, and business continuity by enabling interoperable, cloud-based systems that enhance data governance, optimise the allocation of scarce resources, and accelerate responsiveness to urgent needs. In particular, the EUBW could facilitate the secure and rapid identification and onboarding of critical suppliers and partners — leveraging Wallet functionalities such as Know Your Supplier (KYS) and Procurement — to restore order and continuity during disruptive events. Moreover, advanced features like delegated authority (power of attorney), cross-border data interoperability, and data access management empower organisations and institutions to make faster, more informed decisions and execute operations with precision. Nevertheless, the sub-category crisis resilience and continuity was **not quantified** to estimate the minimum indirect benefits.

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[120] See *Moreira, S., Mamede, H.S., & Santos, A. (2024). Business Process Automation in SMEs: A Systematic Literature Review. IEEE Access, 12, 75832-75864.* https://ieeexplore.ieee.org/ielx7/6287639/6514899/10540093.pdf
[121] See Business Wallet Study, NTT Data, October 2025, Section 3.2.3.
[122] https://programs.callsign.com/hubfs/digital-trust-index/Callsign%20%E2%80%93%20The%20digital%20trust%20index.pdf
[123] See *Business Wallet Study*, NTT Data, October 2025, Annex 4

8.2.3. *Environmental sustainability*

In the category of environmental sustainability, two sub-categories have been identified. First, regarding emissions reduction, as indicated in the support study[124], the digitalisation of administrative processes can reduce the use of paper, thereby lowering emissions associated with both paper production and waste management. Moreover, digitalisation in general and the application of specific use cases driven by the European Business Wallet (e.g. Power of Attorney) can help reducing the need of travel for PSBs and EOs representatives, thus reducing transportation emissions. However, this sub-category was **not quantified** for the purposes of estimating minimum indirect benefits.

Second, the EUBW could play a role in facilitating sustainability compliance and reporting. By digitalising exchanges with public sector bodies and facilitating access to environmental data, the EUBW could simplify sustainability reporting, increase product traceability, and support the adoption of sustainability measures. These developments would also strengthen access to green finance, encourage the issuance of instruments such as green bonds, and promote broader uptake of Environmental, Social, and Governance (ESG) standards. Despite this potential, it was decided to leave this sub-category **not quantified**.

Overall, the minimum quantifiable indirect benefits for society and the wider economy are estimated at **€26.81 billion**. An overview of the contribution of each item is provided in the table below.

Table 14 – Overview of minimum quantifiable indirect benefits

Description		MINIMUM indirect benefits (€)
I. Economic opportunities and market competitiveness	a) Reallocation of resources and cross-border service expansion	€0.45 bn
	b) Fraud reduction	€4.96 bn
	c) Data quality	€1.35 bn
SUB-TOTAL		**€6.76 bn**
II. Trust and resilience	a) Trust in digital transactions and services	€16.66 bn
	b) Crisis resilience and continuity	*Not quantified*
SUB-TOTAL		**€16.66 bn**
III. Environmental sustainability	a) Reducing emissions	*Not quantified*
	b) Facilitate sustainability compliance and reporting	*Not quantified*
TOTAL		**€23.42 bn**

8.3. Considerations on proportionality and costs

The European Business Wallets initiative is proportionate to the objectives sought, as it limits PSBs obligations to a set of core functionalities needed to guarantee trust and interoperability in interactions between EOs and PSBs: identification and authentication, electronic signing or sealing, submission of documents, and sending/receiving notifications. The wide acceptance of such core functionalities,

[124] See *Business Wallet Study*, NTT Data, October 2025, Annex 4.

confirmed in stakeholder consultations as carrying a high level of support (see for example section 5.2), is considered essential to ensure high usage which can unlock direct and indirect benefits. In this regard, as outlined in Chapter 3, EU action is then limited to what is necessary to achieve the objectives of reducing administrative burdens and eliminating disturbances in the Single Market that can undermine its proper functioning.

As an additional safeguard, obligations are further balanced by transitional arrangements: flexible implementation periods allow public sector bodies sufficient time to adapt their administrative and IT systems and preventing disruption

Beyond the requirement that PSBs accept the EUBW's core functionalities in their interaction with EOs, the proposal does not create new compliance requirements for EOs or PSBs. It instead provides a harmonised and trusted channel to meet obligations that already exist under Union or national law. Further, the initiative encourages a market-driven approach, fostering competition and innovation, where providers retain flexibility to design cutting-edge solutions adapted to different sectors and user needs.

The impact is also expected to remain proportionate. The costs incurred by PSBs are investments to catalyse wide adoption and usage of the instrument by providing EOs with the necessary certainty. This is a precondition to allow, in turn, PSBs to reap the full potential benefits from streamlined compliance, reduced duplication, and increased legal certainty, thus creating a virtuous circle for medium- and long-term efficiency gains.

Notably, the proposal does not impose any obligation on economic operators. It requires public sector bodies to enable their use for specified functionalities ensuring that economic operators like small and medium enterprises have the choice to adopt the Business Wallets and to benefit from simplified procedures. This approach aligns with the "Think Small First" principle by avoiding unnecessary regulatory pressure on SMEs. Self-employed individuals and sole traders may also rely on their EU Digital Identity Wallets to access trust services offered for the European Business Wallets, including the secure communication channel or e-signatures, without the need to acquire a fully-fledged Business Wallet. This ensures proportionate treatment of smaller operators by preventing the imposition of an undue burden.

SMEs, and in particular micro-enterprises, which currently face disproportionate compliance costs, will be the principal beneficiaries of the simplification, achieving significant savings in staff time and economic resources. This category of EOs bear the highest relative burden of today's fragmented compliance landscape, as they lack dedicated resources for legal, IT or compliance functions. By targeting simplification for the operators most affected by barriers to establishment, cross-border service provision and uneven competition conditions, the initiative ensures that EU intervention is proportionate to the problem it seeks to address.

9. HOW WILL ACTUAL IMPACTS BE MONITORED AND EVALUATED?

This chapter describes how the impact of the proposed legislation will be monitored and evaluated in light of its stated objectives, the indicators that will be used and the data collection needed to support the evaluation, to take place four years after the entry into force of the Regulation. As stated in Chapter 4, the general objective of the European Business Wallets is to "promote the proper functioning of the internal market by addressing the need to reduce administrative burdens for businesses and public administrations by means of digital identification, authentication and legally valid data exchange, thereby enhancing competitiveness and digitalisation across the EU."

The Commission will monitor the implementation of the legislation with a view to generating the necessary and relevant information that will feed into a future evaluation and to provide solid evidence for policymaking. To ensure consistency and proportionality, the monitoring framework draws on the three-pillar structure referenced in the impact assessment for the revision of the eIDAS Regulation, implementation, application, and contextual indicators, and adapts it to the specific scope of the European Business Wallets. This ensures alignment while avoiding duplication of monitoring obligations and respecting Better Regulation principles, including proportionality and re-use of existing data streams.

Additionally, a set of additional indicators, specifically linked to the Specific Objectives will be leveraged to assess the outcomes of the initiative via proxy-indicators. These broader macro-economic and administrative-burden trends remain contextual and will be interpreted alongside eIDAS data to support statistical inference rather than implying direct causality. In particular, the Commission shall consider in what ways it can make the maximum use of existing monitoring frameworks to minimise any additional reporting burdens on Member States and, where necessary, economic operators. For example, the proposal will require certain information to be reported by the relevant national competent authorities. Additionally, the Digital Decade Policy Programme has a mature and highly relevant process that has been developed to collect, process, store, analyse and disseminate data. Any additional data collection processes should be kept simple and streamlined.

The table below presents the additional and non-exhaustive indicators that could be used to monitor the implementation of the legislation.

Table 15 – Possible indicators for monitoring legislation implementation

Monitoring and evaluation aspect and relevant objectives	Indicator(s)	Responsibility for collection	Source(s)
SO1: Reduce administrative burdens, streamline compliance processes, and improve service delivery			
To reduce the administrative burden of regulatory compliance and reporting requirements on businesses through demonstrable economic benefits	Quantifiable reduction in the burden of government regulation indicator (This is a contextual indicator to show whether the administrative burden is moving in the expected direction in parallel with EUBW deployment)	European Commission	Single Market and Competitiveness Scoreboard[125]
To improve public service delivery	Measured improvements in Digital Public Services for Business indicators under the eGov benchmark, particularly in respect of online service delivery and interoperability signifiers (specific indicators: (cross-border) online availability; (cross-border) eID; pre-filled forms; OOTS)	European Commission	eGovernment benchmark study feeding the Digital Decade Policy Programme

[125] Plus any potential KPI on administrative burden reduction following the review of the Digital Decade Policy Programme

Monitoring and evaluation aspect and relevant objectives	Indicator(s)	Responsibility for collection	Source(s)
To enhance European competitiveness	Measurable improvements in the exports of goods to other EU countries by SMEs in the industrial sector (% of SMEs) (This is a contextual indicator to show whether the administrative burden is moving in the expected direction in parallel with EUBW deployment)	European Commission	Single Market and Competitiveness Scoreboard
SO2: To ensure economic operators and public sector bodies have access to secure and trusted digital identification across borders, meeting user needs and market demand			
To develop a market for secure digital identification and trust services between economic operators and public sector bodies	Number of compliant and notified European Business Wallet providers, including Qualified Trust Service Providers	National Competent Authorities	Data reported to European Commission European Digital Directory
To ensure that available solutions are trusted and secure and comply with all requirements to provide European Business Wallets	Number of withdrawn authorisations of notified European Business Wallet providers, excluding any providers who have voluntarily ceased their commercial provision of business wallets and related services Number and level of penalties imposed on European Business Wallet providers	National Competent Authorities	Data reported to European Commission
To stimulate adoption of the European Business Wallet across all sectors of the economy	Number of European Business Wallets issued to economic operators and public sector bodies and registered in the European Digital Directory[126]	European Commission	European Digital Directory

Additional in-depth research and studies may be necessary to determine a clear baseline for assessing improvements as a result of the introduction of the European Business Wallets.

[126] The number of wallets is not necessarily equivalent to number of owners because one owner attributed with one unique identifier may have multiple wallets registered to them, but it will be a good approximation to determine the levels of usage

ANNEX 1: PROCEDURAL INFORMATION

1. LEAD DG, DECIDE PLANNING/CWP REFERENCES

The lead DG is the Directorate-General for Communications Networks, Content and Technology. The Commission Work Programme for 2025 provides, under the heading "A new plan for Europe's sustainable prosperity and competitiveness", the policy objective of a European Business Wallet (legislative, incl. impact assessment, Article 114 TFEU, Q4 2025)

2. EVIDENCE, SOURCES AND QUALITY

The Commission has collected feedback from stakeholders both in the context of the formal meetings with the Member States working groups (e.g. European Digital Identity Cooperation Group meetings) and in targeted bilateral meetings held with various private and public stakeholders (for details, please see ANNEX 2).

In addition to above actions, the Commission also collected evidence via a Call for Evidence, desk research, expert interviews, and workshops with representatives of national authorities of Member States (European Digital Identity Cooperation Group meetings) and industry representatives.

The Staff Working Document relied on available research in the field of eID and trust services as well as on statistics, mainly from Eurostat.

The Staff Working Document was also supported by a study to support the analysis for the Cost and Benefit Analysis implemented by a consortium led by NTT Data.

ANNEX 2: STAKEHOLDER CONSULTATION

1. STAKEHOLDER CONSULTATION STRATEGY

As an initiative designed to facilitate business-to-government (B2G) and business-to-business (B2B), interactions, the European Business Wallets will differ from the EU Digital Identity Wallets in that it is tailored to the needs of entities acting in a professional, administrative or other non-private capacity, as opposed to citizens and residents acting in their private capacity . Nevertheless, it will build on the EU Digital Identity Framework to simplify legal entity identification and authorisation, regulatory compliance, enable secure data exchange and cross-border transactions using dedicated communication channels which operate under specific established industry standards.

In that vein, consultation feedback was sought on specific issues relevant to economic operators and public sector bodies, such as operational requirements, technical integrations (for example, secure data exchange protocols and interoperability with existing business systems), workflow optimisations that directly impact professional use, and the integration of reporting obligations and notification mechanisms as required by Union or Member State law. The topics relevant for consultation are specific to the stakeholder community and of a technical nature.

The public consultation conducted in preparation for the amendment of the eIDAS Regulation in 2021 remains a valid foundation for understanding user expectations regarding digital identity and trust services. The 2021 public consultation gathered a wide range of stakeholder views across Member States, highlighting the need for greater cross-border usability, legal certainty, and interoperable digital identities. To complement these insights, targeted consultations were carried out for this proposal to capture the specific needs, use cases, and technical requirements of economic operators, public administrations and other non-private bodies. The combined approach of relying on the 2021 public consultation and the consultation strategy underpinning this Staff Working Document ensures that the European Business Wallets are informed by both the general principles established through the 2021 public consultation and the practical realities faced by professional users today.

The consultation strategy supporting this proposal for a Regulation on the European Business Wallets included a Call for Evidence, a questionnaire gathering views and data from relevant stakeholders to gain insights into the costs that Economic Operators and Public Administrations currently incur, interviews, and numerous stakeholders' dialogues. The Commission also organised several workshops and roundtable discussions with stakeholders, as well as participating in a number of conferences on the issues covered by this Staff Working Document. In addition, DG CONNECT held a series of ad-hoc meetings with stakeholders to discuss specific issues and gather detailed input on various policy options. The staff Working Document largely builds on the outcome of these consultations with stakeholders, as well a study carried out to support the evidence collection, assumptions and cost-benefit analyses in this Staff Working Document, which included a survey and structured interviews.

As the proposal follows the general policy lines of the already established EU Digital Identity Framework for natural persons, and the studies and consultations carried out under the eIDAS revision, the stakeholder consultations were targeted and technical.

Meetings with stakeholders also sought to collect their experiences and real-world examples to help tailor the initiative to meet the specific needs of users. These could include challenges faced in regulatory compliance such as duplicative submissions of official documents, lack of interoperable formats, and fragmented access points, inefficiencies in cross-border operations due to inconsistent

digital procedures and limited recognition of digital credentials, as well as testimonies from SMEs on the barriers posed by administrative complexity, including burdensome compliance, redundant reporting, and limited access to digital channels. Stakeholders' opinions were sought to collect qualitative insights on the perceived benefits and potential concerns regarding the implementation of the Business Wallet to help assess industry readiness and expectations.

Stakeholders were selected to ensure a balanced representation of relevant interests, as well as diversity in size, sector, and geographic coverage within the EU. Particular attention was given to the inclusion of SMEs, given their challenges in adopting digital tools.

1.1. Call for Evidence

The Commission launched a Call for Evidence to collect input and feedback on the upcoming proposal for a Regulation on the European Business Wallets[127]. This targeted consultation, aimed at economic operators, professional associations and registers, as well as public administrations, aimed to collect evidence on specific challenges related to identification, authentication, data sharing, compliance, and cross-border interactions faced by the stakeholders. This feedback could aid in understanding how the European Business Wallets solution can align to real-world business requirements and supports seamless digital interactions.

The Call ran from 15 May 2025 until 12 June 2025.

1.2. Meetings and Consultations with Stakeholders

The Commission met with stakeholders that covered both economic operators and public authorities between February and October 2025. The purpose of these meetings was to understand the needs and challenges faced by stakeholders when engaging in cross-border, digital transactions with both economic operators and public authorities, as well as to follow up on the contributions received through the Call for Evidence. Stakeholders included representative organisations for SMEs and professionals; Chambers of Commerce and business registries; technology vendors & IT service providers; large corporations and industry; institutional stakeholders; Member State authorities and bodies.

In addition, both a survey as well as in-depth interviews with selected stakeholders were conducted to gather views of interested stakeholders—particularly economic operators, public administrations, associations, and solution providers—on the potential benefits, burdens, and adoption considerations of the EUBW initiative (i.e., use cases and business models).

Survey results played a key role in quantifying the benefits of the EUBW. They were primarily used to estimate the time currently spent on manual administrative tasks, helping to assess potential efficiency gains. Additionally, the survey responses helped identify indirect benefits and new use cases that might not have been initially considered.

Inputs from interviews informed the use cases identification and the feedback from solution providers led to a better understanding of the impact of business and revenue models in SMEs.

Survey: Open 19 May through 18 July 2025.

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[127] For further details concerning this Call for Evidence, see European Business Wallet: digital identity, secure data exchange and legal notifications for simple, digital business.

In-depth interviews: Conducted during May, June, and July of 2025.

1.3. Workshops

Workshops were organised with Member States' representatives as well as with business representatives.

Two separate workshops were organised jointly by the European Commission and Digital Europe, as a representative organisation of digital industries across Europe on 5 and 12 June 2025 for potential users of the European Business Wallet and potential providers, respectively. The main issues discussed included the interaction of the European Business Wallet with the existing EU Digital Identity Framework and existing or emerging technical systems; business use cases; the repartition of costs for the introduction of the European Business Wallet; and fragmentation.

A dedicated workshop with Member States was organised on 3 July 2025 through the EU Digital Identity Cooperation Group. The Commission presented a preliminary analysis of the responses received during the Call for Evidence on the European Business Wallets. Topics discussed included the distinction between the European Business Wallets and EU Digital Identity Wallets when relating to legal persons, as well as the role of self-employed individuals. Further issues discussed included interoperability, governance, uses cases, the appropriate levels of assurance, levels of obligations, legally valid communication channels, business registry coverage for the self-employed and public entities, and the importance of SME and micro-enterprise participation.

A workshop was organised with representatives of business registries on 4 July 2025. Topics discussed included the EU-wide directory to facilitate cross-border communication, the value of the Business Wallet for B2B interactions, levels of obligations, and the nature of business registries as authoritative sources of verified company data and trusted credential issuers. Structured discussions followed on specifically on the management, verification and updating of time-sensitive data and sustainable business models for credential issuers; as well as legal person identification data distinct from natural person identifiers, and the importance of bridging gaps between diverse practices across Member States.

The Commission participated further in a dedicated workshop on the European Business Wallets on the margins of the Digital Summit organised by the Polish Presidency in Gdansk on 16 June 2025.

2. SYNOPSIS OF THE CALL FOR EVIDENCE

2.1. Introduction

This synopsis summarises the key findings derived from the contributions submitted during the call for evidence launched by DG CNECT to collect insights and perspectives on the EU Business Wallets Regulation. The call for evidence was open for contributions between May and June 2025 and counted 95 submissions upon its closing.

Among these, one same position paper has been submitted in two different contributions by two different organisations that have elected to adopt a common position.

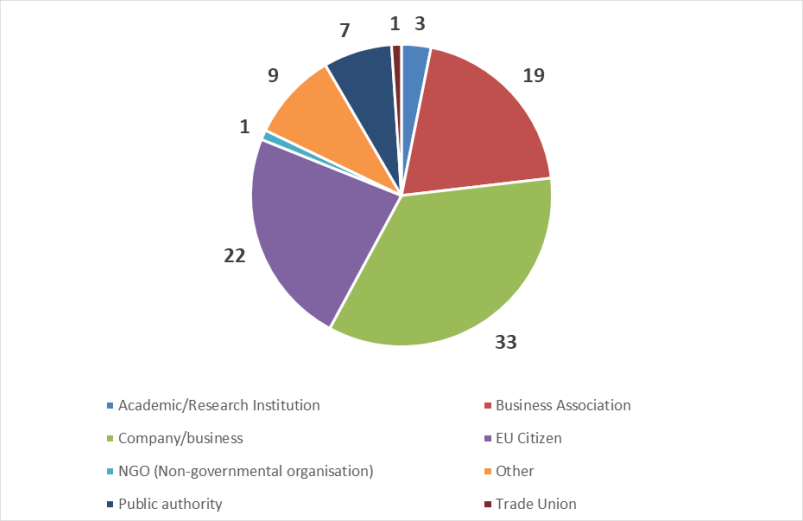
Next to this, 16 contributions were processed but failed to produce relevant insights, as they consisted of spam or addressed unrelated topics. They were accounted for in the total figures of this report but did not impact the analysis. Amongst these, 15 contributions came from EU citizens, whereas 1 was submitted by an EU company.

Contributions were received from stakeholders originating from a total of 17 Member States, with the highest numbers coming from France (13), Italy (11), and Germany (10). These were complemented by submissions from Switzerland, Norway, the United States, and the United Kingdom.

Figure 4– Geographical distribution of the contributions

Most contributions were sent by companies and businesses (33), including national, European and international entities. The second category of contributors is EU citizens (22), followed by business associations and trade unions (19+1). The user category 'Other' was selected by nine respondents, although the provided information suggests they are actually mostly business associations. Seven self-identified public authority organisations contributed to the call.

Figure 5– Types of contributors



More than half (54%) of the submissions were also accompanied by an attachment, mostly consisting of a position paper.

2.2. Key Themes and Recommendations

Each contribution has been examined and its content sorted in one of four types of content, as listed below. This report hence distinguishes observations pertaining to the opportunities opened up by future EU Business Wallets and observations on the challenges that could hinder its implementation and should be addressed. Where contributors provided recommendations, these elements were also regrouped as a category, as were direct suggestions of use cases to be onboarded or impacted by the EU Business Wallets.

2.2.1. Opportunities

"The Wallet as a facilitator for cross-border business"

A significant share of contributions (32%) discussed the potential of the Wallets to generate more cross-border business. If most of these contributions appeared to take into consideration EU-wide cross-border business, six of them also envisaged it as a tool to facilitate business beyond EU borders, mentioning third countries such as the US, Armenia, Azerbaijan, Georgia, Moldova and Ukraine. The concrete opportunities that the Wallets open up were not systematically defined, and when they were, it revolved mostly around the positive impact of trust on B2B interactions or around the gains obtained through administrative simplification. Several contributions also insisted heavily on the comparative relevance of the Wallets for SMEs, highlighting how they are a vital component of the EU economy and how they should hence be a priority beneficiary. Unsurprisingly, the opportunity for cross-border business was mainly relayed by the user category containing companies and businesses, with 39% of them mentioning it in their input.

"The Wallet as an instrument to reduce administrative burden"

Numerous contributors (28%) also highlighted the Wallets' potential to streamline compliance processes and reduce the administrative burden endured by businesses and companies, especially amongst French responders. Business associations in particular have made it a point of their input, with more than half of them commenting on it. The fact that this section mostly pertains to administrative simplification from the perspective of private actors is explained by the comparatively low amount of the public authorities that contributed to the call for evidence, but they would

undoubtedly also benefit from this administrative simplification. Some contributors emphasized on the fact that the compliance burden can disproportionately affect SMEs, hence making the Wallets particularly relevant to them, whereas other argued that the Wallets could be useful to reduce the burden without having to compromise on compliance levels. It could also be noted that some contributors expressed that idea that the Wallets should be paired with process simplification to truly reduce the burden for companies and businesses, and that if they were properly implemented, they could contribute to economic growth.

"The Wallets as a tool to streamline B2B & B2G interactions"

A significant share of responders (24%) also highlighted the potential of the Wallets to generate trust and to standardise and streamline B2G and B2B interactions. This is especially true for B2B interactions, as they are believed to constitute the overwhelming majority of the interactions that take place in the EU. Interactions with customers were also mentioned, although they may be less of a priority. Here as well, SMEs were put forward as a priority beneficiary. It may be remarked that 17 of the 23 responders that mentioned this opportunity were either representing a company or a business association.

"The Wallets as a mechanism to promote and enable interoperability across the EU"

Almost one in five contributors (18%) expressed their wish to see interoperability enabled by the Wallets ecosystem. For certain responders, this is simply limited to ensuring that a set of standards and protocols are properly defined and harmonised, but others went further and observed that the need to establish an interoperable framework does not only aim at avoiding excessive market fragmentation, but should also be configured in a way that allows different technical and economic models to coexist. Finally, the need for interoperability and synergies with the natural persons' Wallet(s) was also mentioned.

"The Wallets as an accelerator for the Digital Single Market"

As mentioned above, numerous responders believed that the Wallets can support business growth, and in particular, 18% of them directly linked this with the realisation of the Digital Single Market, noting the impact of its implementation on the market's overall success.

"The Wallets as a fast-track for KYC and KYB processes"

Finally, 11% of the responders (of which 70% companies) remarked the complexity and costs of current KYC and KYB processes for private companies, and emphasized on how the Wallet could significantly reduce that burden for them while improving the levels of trust.

2.2.2. Challenges

"MS and economic operators should receive clear guidance, technical assistance, and user education resources to encourage adoption and prevent misuse"

Amongst the respondents, 12% deemed that a key challenge for the implementation would be to provide an unambiguous framework and the adequate guidance to the MS and providers, and to define a common vocabulary and legal framework for business roles and legal entities covered by the EUBW. To address this challenge, the framework should clarify the relation of the Wallet to existing frameworks such as the eIDAS Regulation (eIDAS) and the Single Digital Gateway Regulation. Furthermore, 4% of the respondents in this context provided examples of their national distinctions and definitions for legal entities, hereby hinting at the larger context of disparate legal

definitions describing such entities across EU member states. The overall consensus of responses further indicated a preference for simplifying the existing legal frameworks in this context.

"Going for a digital-only ecosystem involves risks on different levels"

Amongst the respondents, 9% of them highlighted that a digital-only ecosystem entails several risks. First and foremost, small actors could face exclusion, either because of unbearable costs, gaps in skillsets, or insufficient digital fluency. But other contributors also questioned the environmental impact of a fully-digital ecosystem, given the current energetic cost of cloud services, while others also noted the dependency of the economy on such an ecosystem, hence resonating with the cybersecurity concerns expressed in the following paragraph. These concerns should hence be addressed and mitigated in the chosen method of implementation.

"Cybersecurity will be a vital challenge in the Wallet ecosystem"

Across the involved organisations, 7% of the respondents highlighted their concerns regarding cybersecurity. Particularly, concerns were raised around the risks entailed by a centralised implementation model instead of distributed networks and infrastructure. Contributors insisted on the need to foresee sufficient access safeguards. Overall, there is consensus on the need for robust security architecture in order to prevent misuse, breaches, or unauthorized access to sensitive credentials and data.

2.2.3. Recommendations

Technological neutrality, future-proof dimension and harmonised standards and protocols

A considerable amount of contributors (47%) expressed opinions on the technology and infrastructure that will be underlying to the future Wallet. More precisely, they often shared their belief that the Wallets should be technologically neutral, that they should be flexible and future-proof, and that they should rely on harmonised standards and protocols enabling interoperability. One aspect that seemed to particularly require harmonisation in the eyes of many respondents is that of the identifiers used to recognise businesses. Throughout the contributions, the idea that one single (cross-border) identification convention and solution is needed is indeed heavily emphasized upon, and some contributors even made concrete suggestions in that sense, noting that the European Unique Identifier (EUID) or the Data Universal Numbering System (DUNS) could be relied upon for that purpose. In complement of this unique identifier approach, others also remarked that, from a data perspective, data exchange should be based on semantic models capable of supporting cross-border data interoperability. In this regard, excessively restrictive data models and formats preventing the effective sharing of trusted data should be avoided, as that data sharing is deemed to be one of the key potential added values of the Wallet. In the eyes of many contributors, the true key to successfully implement the Wallet will actually reside in defining the right framework rather than in providing the solution itself. Ensuring that the Wallet remains futureproof and sufficiently flexible to address the needs of its users would require a sound foundation and shared understanding, and the MS should hence not directly provide the solution or technical infrastructure, but focus on setting up the best conditions and guidelines.

Lessons learned and existing pilots and frameworks

The second most frequent (type of) recommendation shared by contributors pertains to experience and learning. Indeed, as highlighted by 38% of the actors, of which 50% companies, there are various pilots ongoing around the globe, a plethora of frameworks have been established by various organisations, and there are countless lessons learned that could benefit to the future Wallet. The

most natural and necessary synergy concerns the EUDI Wallet (and the corresponding Regulation and ARF), as many contributors (17%) emphasised how the ecosystem, the infrastructure and the technical architecture supporting the EUBW need to be perfectly aligned and integrated with the EUDIW to ensure interoperability between the two frameworks and to build on the successes of the latter. Other suggested examples include UNCITRAL's model laws and frameworks, the Data Universal Numbering System (DUNS), or the United Nation Transparency Protocol. Overall, the initiative should integrate the lessons learned and achievement of other previous pilots and framework and fit in the global ecosystem. That message was also particularly relayed by Italian and German responders, and it may be remarked that it was put forward by five of the six non-EU MS contributors.

Prioritisation of the adequate use cases and scope

Many contributors (27%) underlined that prioritisation will be a key factor to ensure that the ecosystem will take off and scale up, whether that prioritisation pertained to use cases, focus areas or target audiences. A prominent example of use case focus is representation and power of attorney documents, as numerous respondents suggested that they should be onboarded in priority to demonstrate the usefulness of the wallets (and to build initial synergies with the EUDIW). Regarding target audiences, some contributors insisted on the need to target not only companies but also self-employed persons, NGOs and other types of organisations, while others conversely suggested onboarding self-employed persons' use cases on the EUDI Wallet for natural persons.

Access to business registers and other authentic sources

For 20% of the contributors, the success of the Wallet will also depend of its capacity to connect and interact with business registries and other relevant authentic sources to onboard and store credible and secure attributes. This is first demonstrated by several references to the BRIS, but some contributors go further by suggesting establishing an EU-wide business register or, as highlighted in other sections, by at least creating shared identifiers.

Traceable, accountable, and auditable interactions

Among the respondents, 19% of the entities emphasised that traceable, accountable, and auditable standards within the Wallet infrastructure are pivotal to efficiently countering various risks, including fraud and misidentification (e.g., impersonating businesses to deceive trading partners). This need for robust security measures must be properly balanced with businesses' perceived need for flexibility, for example, allowing them to easily adjust representation rights.

Market-Driven Deployment and Governance of the EUBW

A total of 18% of the respondents (mostly representing companies and business associations) shared insights on the dynamics under which the EUBW should be deployed, and they namely noted that the Wallet should be based on sustainable, market-driven models. Unlike the EUDI Wallet, they remarked that it should not automatically be issued free of charge. A paying approach could indeed create market incentives to rapidly build the networks upon which widespread Wallet usage would depend, while allowing room for innovation and enabling market dynamics to shape the most effective solutions. The regulatory framework would also have to support such governance while encouraging market-led development. A few existing trusted service providers strongly advocated against marginalising well-established providers by creating Wallet governance and operational frameworks accessible only to a small number of (public or semi-public) entities. Such an approach could disrupt the market by creating an uneven playing field, where only a few selected actors would

benefit from privileged access and legitimacy. Fair competition should remain at the heart of the Wallet deployment.

Mandatory or voluntary adoption of the Wallet

Based on the analysis, 16% of the respondents (mostly companies and business associations) discussed whether the adoption of the Wallet should be mandatory or voluntary, and a number of them formulated clear recommendations. First, six respondents suggested to make the acceptance and usage of the EUBW mandatory to ensure harmonisation, to avoid fragmentation, and to enable a streamlined business process capable of reaching its full potential. On the other hand, four respondents questioned whether the adoption should be mandatory for businesses, especially from the perspective of small economic operators which might be overwhelmed by the introduction of additional digital complexity. Finally, two respondents advocated for a completely voluntary adoption, leaving it to economic operators and public sector bodies to decide whether to accept the Wallet.

Financing and business approach of the EUBW

Amongst the respondents, in direct correlation with the above section on market-dynamics, 16% shared their thoughts on the financing and business approach for the Wallet. As previously highlighted, these contributors advocated for an economically sustainable model for the Wallet, meaning that services should not be free of charge for users to stimulate growth and to allow different providers to enter the market and expand the range of services related to the wallet.

Appropriate Level of Assurance

Finally, 12% of the contributors expressed their opinion on what they deemed to be the most appropriate baseline Level of Assurance for the EUBW. They generally emphasised on the need for a Substantial Level of Assurance and argued in favour of making it the baseline for most EUBW use cases. The remainder of respondents suggested to rely on a High Level of Assurance for certain transactions and situations where a high level of trust is needed. Amongst the respondents, only businesses (9) and business associations (2) addressed this question.

2.2.4. Use cases

Increasing trust in B2B relations

For 20% of the responders, amongst which more than half are companies and businesses, B2B interactions should be a priority for the Wallet and it should hence focus on use cases that contribute to increasing trust between private actors. This mostly centres on the notion of identification and representation, with a distinct focus set on powers of attorney and mandates, but it could also be translated into building a standardised set of attributes that together contribute to strengthening a company's credibility, and can for example have a limited validity in time to guarantee up-to-datedness.

Facilitating KYC and AML processes

Know-you-customer and anti-money laundering processes represent a heavy but necessary burden for many companies, and 16% of the responders (of which a vast majority of businesses and business associations) put a particular emphasis on them. This would not only save them time and be cost-efficient, but it could actually help them actively decrease their endured risks, which could have a considerable financial impact.

Exchanging business documents

This fundamental functionality of the envisaged Wallet has been directly mentioned by 12% of the respondents, and it is worth noting that is it not only considered from the perspective of exchanging (Q)EAAs issued solely by authentic sources, but also to allow the storage and presentation of documents emanating from the companies themselves.

Enabling banking and payment services

For 12% of the responders, the Wallet will serve significant use cases in payments and banking services. This covers both the idea that financial sector actors should be a priority audience for the Wallet, given the complexity and high-assurance required in their processes, and also the idea that the Wallet will streamline actual payments, for instance by enabling automated payments upon reception of invoices.

Others

Various other use cases were also mentioned by the respondents, although with less widespread support. These for example include eArchiving functionalities, access to secure inboxes and messaging tools, or automated and secure e-invoicing services.

2.3. Conclusion

Overall, a clear majority of respondents welcomed the introduction of the EUBW and expressed enthusiasm in the opportunities that it will open up. This positive feedback was especially evident among public and private sector actors.

The first key observation deriving from this call for evidence is that the EUBW is decisively perceived as an accelerator of the Digital Single Market. This acceleration would mostly be a result of the reduction of the administrative burden for businesses and public sector bodies and of an increased trust and speed in B2B interactions, both of which would directly or indirectly lead to new business opportunities and economic growth.

A second key observation is that in terms of use cases, the needs of the private sector are clearly set on identification and representation functionalities that would facilitate interactions in B2G and B2B settings (and particularly KYC and KYB processes). An incremental implementation prioritising such use cases could hence be a promising pathway to unlock the full potential of the Wallet and maximise user adoption, before progressively extending functionalities and enabling an exponential number of use cases.

The third key observation is that the Wallet should not be approached as a stand-alone and monolithic tool to be delivered in the market by public actors, but rather as an ecosystem that will emerge thanks to the adequately set framework and infrastructure. First, the EUBW should perfectly complement the EUDI Wallet ecosystem, while building on its achievements and integrating extensive synergies with it. It must secondly be part of a larger coherent harmonisation process that also touches upon elements such as unique business identifiers, legal definitions of enterprises or technical standards. Finally, it should demonstrate overall flexibility and be future-proof, and unequivocal contributions advocate for a market-driven Wallet ecosystem that would be a reference in public-private cooperation.

3. SYNOPSIS OF OTHER WORKSHOPS AND CONSULTATIONS

This synopsis summarises positions on a variety of topics taken at varying consultation activities that the Commission participated in or organised with Member State representatives, public authorities, industry and SMEs representatives. These include workshops, meetings, surveys and in-depth interviews covering a broad range of topics relevant to the European Business Wallet. The consultation activities gather views of interested stakeholders—particularly economic operators, public administrations, associations, and solution providers—on the potential benefits, burdens, and adoption considerations of the EUBW initiative (i.e., use cases and business models). The details of the processes are described in section 1 to this Annex.

Before presenting the main finding, it is important to note several methodological considerations and limitations. The EUBW initiative was still in its early stages, and its definition was evolving. This situation may have influenced the depth and specificity of the stakeholders' feedback. Responses to the consultation activities do not constitute a statistical sample of the EU population or the target population. Weighting techniques were not applied, as demographic data is insufficient for such adjustments.

Stakeholder credibility was considered during analysis, including factors such as expertise, representativeness, track record, and relevance to the EUBW initiative.

No coordinated campaigns or mass identical submissions were identified during the consultation activities.

~~This document should be regarded solely as a summary of the contributions made by stakeholders to the in-depth interviews on the European Business Wallet initiative. It cannot in any circumstances be regarded as the official position of the Commission or its services. Responses to the consultation activities cannot be considered as a representative sample of the views of the EU population.~~

~~Stakeholder views were analysed and taken into account to the extent possible. Their input informed the refinement of the cost-benefit analysis, identification of use cases, and business model considerations.~~

3.1. Key challenges

Industry representatives noted that the EU still lacks a unified legal and technical infrastructure to support business identity, representation and regulatory compliance. Economic operators of all sizes continue to face complex and fragmented procedures when interacting with public authorities or private-sector partners across borders. The absence of a harmonised approach to limits the digital single market's effectiveness. It discourages automation, inhibits trust in cross-border exchanges and slows down transactions in both B2G and B2B settings. The EUBW has the potential to address these issues by introducing a legally recognised, interoperable identity solution tailored to economic operators. However, to be effective, it must resolve these fragmentation issues at both the legal and technical levels – and be rolled out in a way that ensures universal adoption and legal clarity across Member States.

Reporting and administrative obligations are time consuming, inconsistent and disproportionately burdensome for smaller firms. Many Member States maintain their own document formats and identity verification channels, resulting in limited mutual recognition and duplicated efforts. Where platforms are digital, they are not interoperable. For **SMEs** in particular, the administrative processes in obtaining cross-border permits and authorisations are burdensome.

SMEs struggle with multiple, non-integrated national tools. The EUBW can help by ensuring data interoperability and applying the once-only principle to avoid the need to repeatedly provide the same information.

Concerning the outcome of the conducted **survey**, as follows the key themes and findings:

Market Landscape

Public administrations, Associations of Economic Operators, and trust service providers across Europe face challenges due to fragmented national digital infrastructures and limited cross-border interoperability, despite strong national systems and a growing hybrid public-private service model.

Burden of Administrative Activities

Stakeholders identified several administrative activities as burdensome, particularly those involving document exchange, compliance, and verification across Member States. These were often described as time-consuming, repetitive, and prone to human error.

Expected Benefits of the EUBW

Respondents anticipated that the EUBW could significantly reduce the cost and complexity of administrative tasks. Benefits cited included faster services, improved data accuracy, and enhanced cross-border operations.

Willingness to Adopt

Many stakeholders expressed openness to adopting a cloud-based solution like the EUBW, especially if it streamlines processes and reduces costs. However, concerns were raised about integration challenges and the need for clear guidance and support.

In the context of the interviews, the different stakeholder groups highlighted the following main administrative activities as burdensome:

Public Administrations

- Cross-border interoperability: National systems are often automated, but verifying foreign documents still requires manual, in-person processes. Cross-border interoperability is hindered by differing regulations and documentation standards, increasing fraud risk. Manual processes persist even in advanced systems (e.g., fraud checks, police communications).

Associations of Economic Operators

- General Issues: Economic Operators face high administrative burdens across sectors due to limited digitalisation (manual paperwork persists), and overregulation. The cumulative effect of administrative burdens is more problematic than a single issue or task.

- Key Burdensome Activities: Economic Operators struggle with complex identity verification, repetitive compliance documentation, and lengthy business setup (often months). Licensing, VIES registration (requiring physical inspection), and annual Social Security regularisation (e.g., 40–45 mins for 3.5M self-employed entrepreneurs) are time-consuming. Labour compliance, cross-border admin, and tasks like record keeping, verification, and data management are especially challenging. Digitalisation is most needed in posting of workers, sustainability reporting, and taxation.

- SME-Specific Challenges & Costs: SMEs, particularly micro Economic Operators, often lack digital tools and outsource administrative tasks, raising costs. Externalisation is expensive: labour compliance (15–30% of income), pension applications (e.g., ~€150 in Spain), and sustainability consultancies (up to €100,000). Time costs are high: 30–50% of time spent on administrative activities, 9 hours/week chasing payments, and 1.5 days/week on identity validation. Hidden costs include delays, fines, and manual processes due to poor infrastructure.

Trust Service Providers

- Fragmented Landscape & Verification Gaps: Europe's identity, document exchange, and authorisation systems are fragmented, complicating cross-border operations. Reliable digital verification of Economic Operators and their representatives is lacking, even with paper-based methods. Most private services depend on public infrastructure.

- Core Challenges & Cost-Saving Potential: Verifying an Economic Operator is relatively easy, but confirming an individual's affiliation is difficult without tools like corporate emails or domain checks. KYC costs in Germany alone reach €2.3 billion annually. AML and counter-terrorism compliance are complex and resource-intensive. SMEs are less attractive to providers due to low volume and purchasing power. SMEs applying for EU funding often spend weeks on admin tasks; EUBW could reduce this to minutes.

3.2. Support for concept of the business wallets

Numerous Member States voiced their support for the business wallets, including where strong private sector interest has been expressed through the Large-Scale Pilots. The business wallets will be a valuable addition to the wallet ecosystem. The pilot was a good illustration that, with organisations varying in size and structure, a business wallet must support multi-user access and integration into existing enterprise systems, in comparison to a natural person wallet, and that meaningful wallet-to-wallet communication is essential. Member States also suggested that business wallets would not always require a high level of assurance, making implementation more flexible and practical. Additionally, current rules do not adequately cover key business needs like cross-border representation, liabilities, power of attorney, and automating supplier verification, and a business wallet can address these.

Some Member States particularly wanted to understand how the business wallets would differ from the EU Digital Identity Wallets. For some Member States, it was unclear what aspects of the business wallets truly represent new challenges requiring new legislation, and questioned why these cannot be integrated into the existing legal and technical framework of the EUDI wallet. Having clear, well-documented use cases could help identify distinct requirements as compared from the EUDI wallet thus justifying the need for a separate business wallet because otherwise developing and maintaining two wallets would be costly and complex.

Industry representatives recommended that the European Business Wallets should be developed around high impact use cases: These include the ability to digitally prove a legal person's identity, share verified credentials, attestations, mandates and fulfil legal obligations in cross-border contexts. Priority should be given to functions such as onboarding, licensing, ESG (Environmental, Social and Governance) disclosures and public procurement. Focusing only on B2G reporting would limit the

wallet's added value and adoption. The EUBW should also be clearly differentiated from the tools available under the Single Digital Gateway Regulation.

For **SMEs**, the lack of concrete examples and actionable use cases make it difficult for them to envision the benefits of the business wallets.

3.3. Scope of the European Business Wallets

Some **business registries** emphasised the importance of the use of terminology to ensure precision in terms of who is and is not covered in the scope. The term "economic operators" is broad and may lack precision, and it is important to distinguish between companies and legal persons not covered in business registries: this distinction is important for understanding who exactly would use the business wallet and how.

Most participants agreed that natural persons acting as business operators (e.g. the self-employed) should require separate business wallets – and hence separate legal entity identifiers – instead of relying on their existing personal identifiers. Legal and regulatory frameworks are key factors in shaping digital identity processes, not just technical capabilities; for example, using business data tied to self-employed individuals could trigger GDPR obligations and having distinct business wallets provides clarity and better separation of concerns under data protection rules. Business registries agreed that with diverse legal frameworks and practical realities across the Union, this makes harmonisation complex.

For some **Business registries** the focus of the business wallets should be on B2B interactions, and not only B2G use. The wallets' main value and bigger impact lies in the B2B domain, and this should be the emphasis going forward.

Industry representatives recommend that where existing national registries are incomplete or fragmented, the Commission should establish minimum criteria for issuing credentials to ensure full business coverage.

As regard to the additional insights from interviews, stakeholders highlighted key use cases and cost-saving opportunities as follows:

Public Administrations

- Uncertainty on EUBW Impact: Public administrations generally lack specific financial data on current administrative burdens for Economic Operators and cannot yet provide clear cost estimates for EUBW implementation or potential savings due to ongoing development and unclear final requirements.

- Use Cases: Automating identity verification and document validation; Streamlining power of attorney processes and Economic Operators' authentication for online platforms and financial services; Simplifying public procurement, grant applications, and compliance checks; Enabling Economic Operators to issue their own credentials (e.g. employee verification); Integrating business data into EU-wide platforms for seamless cross-border operations.

- Cost-Saving Opportunities: Reducing manual data entry and duplicative administrative tasks; Enhancing fraud detection and data integrity through secure digital verification; Supporting SMEs with easier access to services and compliance tools; Achieving semantic and technical interoperability, lowering error rates and improving efficiency.

Associations of Economic Operators

- Use Cases: Identity & legitimacy verification of partners and representatives; Document submission for compliance, licensing, and tax filings; Cross-border operations, including VAT registration and understanding foreign admin structures; Labour compliance (e.g. equality plans, harassment prevention); GDPR and cybersecurity reporting; Sustainability reporting and digital invoicing; Record keeping and data management, especially for micro-Economic Operators; Universal credential repository for verifying suppliers and partners.

- Cost-Saving Opportunities: Streamlined identity verification and representation checks; "Once-only" principle to eliminate repetitive data submissions across authorities; Unified EU reporting system to replace fragmented national tools; Simplified tax justification and document provision; Cross-border navigation support for SMEs; Lower barriers to cross-border expansion.

Trust Service Providers

- Use Cases: Automating KYC/KYS, AML compliance, and identity verification; Streamlining representation proofs, digital mandates, and onboarding processes; Enabling digital product passports, third-party certifications, and ESG reporting; Supporting eInvoicing, contract signing, and financial reporting (e.g. VAT reconciliation); Facilitating cross-border Economic Operators registration, access to funding, and public procurement; Enhancing supply chain transparency, Industry 4.0, and circular economy applications; Providing digital credentials (e.g. company roles, Chamber IDs, AI agent permissions).

- Cost-Saving Opportunities: Eliminating duplicated processes and manual checks; Potential of reducing compliance costs by up to 50% in finance functions; Unlocking billions in savings through automation of verification and reporting; Lowering barriers for SMEs by simplifying access to services and funding; Strengthening trust, transparency, and competitiveness in the EU digital market.

- KYC/KYS as Primary Opportunity: There is strong consensus that the EUBW's most significant immediate value proposition and cost-saving opportunity lies in streamlining and automating Know Your Customer (KYC) and Know Your Supplier (KYS) processes, by embedding them within the wallet's transaction layer.

- Dependence on EUBW Clarity: Providers are waiting for clearer information on the EUBW's final regulatory details and specific obligations to fully assess its potential and business models.

3.4. Role of business registers and scope of registration

Business registries' authorities were agreed on the fundamental role of business registers as the unique, authoritative, legally mandated source of verified company data. Some saw the potential of the business wallets to facilitate digital transformation in preventing data fragmentation and multiple competing sources of company information by consolidating authoritative data by modernising how information is accessed and shared.

Business registries noted the disparity between EU company law on business registries focusing on limited companies while some national registries include many other legal entities that conduct

business operations, with some suggesting that published information and credentials should eventually cover in future these broader categories to include all relevant economic operators.

The question of expanding registration to cover entities currently not included in the registries was, in the view of Business registries, a matter for regulation to ensure the appropriate legal basis is in place for newly registered entities. In addition, the primary challenge in this regard lies in establishing the appropriate legal basis at either the national or European level to authorise the issuance of unique identifiers for new economic operators. For public administrations or other new groups, Business registries would need to develop mechanisms—such as databases and legal verification processes—to validate these entities before issuing unique identifiers, including the suggestion for a phased approach to this.

Some took the view that collaboration between business registers and commercial trust service providers is already possible and should be leveraged, and therefore it is important to integrate existing frameworks. They cautioned against creating new or overlapping regulatory frameworks that complicate the ecosystem.

3.5. Power of Attorney and mandate management

Industry representatives noted that there is currently no standardised EU-wide mechanism for representing company mandates and delegated authority. This means that verifying who is legally authorised to act on behalf of a company remains a national exercise, often reliant on manual checks, power-of-attorney paperwork or unverified declarations. As a result, cross-border contractual or licensing procedures often require significant additional effort, creating delays and compliance risks.

They noted further that the European Business Wallets should be by a standardised approach to role and mandate management, allowing the designation of authorised representatives and linking them to clearly defined scopes of authority. By relying on EU-wide cross-border identity matching for all economic operators, leveraging existing business registries and solutions to provide flexibility and the avoidance of duplication, will provide legal certainty.

3.6. Obligations of use and acceptance

Some **Business registries** wanted to understand the balance between regulatory obligations and market incentives in fostering wallet adoption and availability

Industry representatives call for clear rules to define how digitally signed, machine-readable credentials are issued, stored and used. National authorities should be required to both issue and accept these credentials, as the widespread availability of trusted public sector credentials will be key to encouraging private-sector adoption and support legal clarity.

Industry representatives consider that the European Business Wallets should be mandatory for the public sector and for some specific use cases to ensure validity and scale but should also provide for flexibility in terms of deployment.

There were divergent views among **SMEs** in whether the use of the business wallets should be voluntary or mandatory when it came to economic operators. Overall there was broad agreement on the need for mandatory acceptance of business wallets by public administrations and cross-border entities to ensure their widespread usability, as well as to benefit from the once-only principle.

3.7. Managing credential validity periods

Business registries were agreed on the importance of business registers verifying and updating company information, and that digitalising these processes would maintain or improve legal certainty. As a digital representation of register data, the business wallets should be closely monitored and updated. Digital formats and eIDAS trust services, including temporary or revocable powers of attorney, enable real-time updates, revocation, and validation to address the challenge of avoiding the use of outdated and invalid credentials effectively. The business wallets will require robust mechanisms to monitor credential validity and be able to handle revocations: either the system can retrieve credentials in real-time from registers or it will be able to manage validity periods efficiently.

3.8. Interoperability, functionalities and technical implementation

Industry representatives consider that integration with the EUDI Wallet and trust services under eIDAS should be a baseline requirement for the European Business Wallets.

Industry representatives consider that the business wallets must support a variety of implementation models – including mobile, enterprise-integrated and cloud-based solutions – and allow participation by qualified public and private providers. They call for the technical specifications to be based on open, interoperable standards to facilitate integration with existing business systems, particularly for SMEs; the regulatory framework should avoid prescribing architecture or formats, focusing instead on legal effect and interoperability.

They consider that the regulation should focus on the trustworthiness and verifiable credentials themselves, rather than on the design or implementation of wallets. This will allow wallet providers – whether apps, enterprise tools or cloud services – to compete on usability, innovation and features without being constrained by rigid regulatory requirements.

Industry calls for the European Business Wallets to include as standard features authentication mechanisms, access controls and audit logs should be standard features: these will act as appropriate safeguards to prevent fraud, ensure data integrity and ensure traceability. Linkability is important to ensure accountability by having credentials and actions be attributable to legal representatives and the legally represented person.

Industry considers that compatibility with global identifiers (e.g. LEI), standardised interoperable data formats and internationally recognised credentials will be essential to ensure long-term relevance and usability. The wallet should also support machine-readable, semantically aligned data to enable automation, analytics and cross-system integration.

SMEs call for a digital identity integration that works across borders and complements or surpasses the SME ID. Offering lots of different digital tools is counterproductive. Either the business wallet and the SME ID must be connected, or consider having just one tool for SME digital identity.

3.9. Legally valid communication channel

Some **Business registries** agreed that the inclusion of a legally valid, cross-border communication channel in the business wallets could address the legal limitations of traditional email for official communications as it would provide for an EU-wide valid channel. Currently only some Member States have a national communications channel, while others do not.

Several **Member States** emphasised the importance of having unique identifiers as a foundation for communications channels for building further datasets and digital identities.

3.10. Business models and market development

Some **Business registries** emphasised the importance of balancing free data provision with the sustainability of registers. Broadening data scope without adequate funding could strain registers and impact data quality. The suggestion was to keep the wallet data scope aligned with what's already free of charge to avoid financial or operational burdens

SMEs call for hands-on guidance and clear information on how to implement the European Business Wallets and a concrete understanding of the benefits, calling for the EU to make an effort to support them every step of the way

SMEs consider that free implementation is key to encouraging SMEs to use it: if they have to pay for it, they are unlikely to use it.

3.11. EUBW Market Landscape and Adoption Costs

This section presents stakeholder views on the existing digital and regulatory landscape relevant to the EUBW, followed by insights on expected adoption costs and related challenges for different stakeholder groups.

Public Administrations

- Established National Digital Infrastructures: Many countries have implemented strong national digital identity schemes (e.g., Portugal's Mobile ID, Netherlands' eHerkenning, Finland's Suomi.fi e-authorisation, Spain's Cl@ve) and foundational digital services like e-invoicing platforms or business registries.

- Cross-Border Interoperability Gap: A major recurring challenge is the limited interoperability between national systems, particularly for verifying documents, identifying foreign citizens, or validating Economic Operator's information across borders. This often necessitates manual or face-to-face processes.

- Hybrid Public/Private Service Provision: While governments typically provide core infrastructure and set standards, Economic Operators frequently develop and offer services on top of these public backbones (e.g., eHerkenning providers, healthcare applications in Germany, e-invoicing operators in Finland, InfoCamere's services). There is an inclination towards market-driven solutions for business wallets.

Associations of Economic Operators

- Fragmented National Solutions: Existing digital tools and channels for administrative activities are highly fragmented, especially for cross-border exchanges. While national digital solutions exist, they often do not interlink, forcing Economic Operators and citizens to repeatedly provide the same information to different authorities.

- Dominance of Government Identity: Most operational digital identity solutions are government-based initiatives, but their cross-border utility for Economic Operators is often limited.

Trust Service Providers

- Market Fragmentation and Verification Challenges: Trust service providers observe a highly fragmented regulatory and digital landscape across Europe. They note a general lack of reliable government services for the digital verification of an Economic Operator's identity or an individual's affiliation with an Economic Operator.

- Hybrid Public-Private Model Dominance: Purely Private sector services without government involvement are "very rare"; private providers commonly operate on top of, or in partnership with, public infrastructure.

With regard to the adoption costs, the following views were gathered:

Public Administrations

- SMEs & Larger Economic Operators: SMEs face minimal costs and fewer challenges in adopting EUBW. However, for larger Economic Operators, the wallet concept is complex and requires server-based solutions with role-based access. In Finland, it's suggested that wallet provision for Economic Operators should be market-driven, not government-led.

- Adoption Barriers: The implementation of EUBW requires regulatory changes to replace existing professional identity systems, such as the smart cards widely used in countries like Germany. Interview participants also noted that adoption could face challenges if the EUBW fails to provide access to non-public information or if equivalent data is already accessible through other channels. Integration Challenges: A crucial adoption factor for the EUBW is seamless system integration and usability with minimal user interaction, as exemplified by the current smart card system that creates a background connection requiring only one-time authentication, whereas a solution requiring recurring authentication would likely face rejection.

Associations of Economic Operators

- Adoption Hurdles: Adoption costs and ecosystem-wide acceptance are significant challenges. SMEs are particularly price-sensitive, often lack digital readiness, and prefer simple, commodity offerings, whereas larger Economic Operators prioritise integration capabilities with their existing systems.

- Difficulty in Estimating Costs: Several sources explicitly state that it is "very difficult to estimate" or that "no comprehensive data or proxy is available" on the specific cost for an average SME to adopt a solution like the EUBW, or the time it would take for them to familiarise themselves with it.

- SME Scepticism and Digital Readiness: SMEs are generally "sceptical" of new digital initiatives due to concerns about cost and a perceived lack of skills. A significant percentage of SMEs are "not completely ready" for digital adoption, with readiness varying by size and sector. Some small Economic Operators, for example, "do not even have a website". The level of feasibility for adoption depends on the EUBW's technological sophistication.

- Basic Digitalisation as a Prerequisite: A prerequisite for this type of tool is that "many SMEs already possess a basic level of digitalisation". If this basic digitalisation is not in place, the adoption process will be longer, though the tool itself could serve as an incentive for micro-Economic Operators to begin digitalising.

- Support and Training Needs: Any new digital tool like the EUBW would need to come with "capacity building and training". This training should ideally be provided by "local Economic Operators" that are "close to Economic Operators," offering adaptive training sessions (e.g., in the evenings) that consider language barriers for European Economic Operators.

Trust Service Providers

- Price as a Barrier for SMEs: Price is identified as a "barrier for SMEs". Some solution providers consider SMEs a "less attractive market" due to their lower operational volume purchasing power.

- Preferred Pricing Models for SMEs: Discussions with stakeholders indicate that SMEs favour a "low per-usage fee model with minimal onboarding friction". They also express a preference for a "simple monthly subscription with embedded functionality". One provider is developing a "tiered subscription model" with a base tier designed to be "accessible for SMEs," offering essential functionality with transaction limits.

- Hurdles from Provider Perspective: From the perspective of trust service and solution providers, key hurdles to EUBW implementation include the costs of adoption and the risk of insufficient ecosystem-wide uptake. While the EUBW offers significant savings potential through automation of compliance and identity checks, these benefits can only be realised if the ecosystem adoption is widespread.

ANNEX 3: WHO IS AFFECTED AND HOW?

1. PRACTICAL IMPLICATIONS OF THE INITIATIVE

The European Business Wallets, in the context of the European Digital Identity Framework, aim to provide a seamless environment for EOs of different sizes to interact with PSBs at different levels of government (B2G/G2B), and with one another (B2B). At the same time, the EUBW will enable PSBs to achieve greater efficiency and cost-savings and to create synergies by automating manual and administrative processes and by streamlining the digital tools used to interact with EOs.

EOs will be able to adopt the European Business Wallet by entering into a commercial agreement with an authorised provider and will obtain, a platform for secure digital identification and authentication, data sharing, and legally valid notifications.

EOs will face one-off costs (training and onboarding, activation and IT implementation and contracting costs) to adopt the Business Wallet as well as recurring costs (licensing fees and maintenance costs) to use the Business Wallet in their everyday operations. Leveraging the Business Wallet will generate direct benefits for EOs through digitalisation and/or automation of administrative and manual activities related to identification & authorisation, exchange of documents and information, compliance and verification, record keeping and data management, permissions and certification and cross-border coordination and recognition.

Assuming 100% adoption of the European Business Wallet, the total estimated costs for all EOs amounts to around €60.67 billion per year, split between around €33.43 billion of one-off costs and around €27.24 billion of recurring costs. On the benefits side, the annual direct benefits for all EOs are expected to total €205.82 billion.

However, the costs and benefits of adopting and using the Business Wallet will vary depending on the size and digital maturity of the EO.

For a microenterprise with fewer than 10 employees, such as a local craftsperson or independent consultancy, adopting the EUBW will require implementing and activating a wallet service and familiarising with its use, also through dedicated trainings (one-off costs per microenterprise are estimated at €620). Recurrent actions will be limited to updating credentials when they expire. Costs are therefore expected to be relatively low (€500). Benefits are likely to be substantial, with annual direct benefits estimated at €4,000: micro-enterprises will save significant time and expenses otherwise spent on paper documentation, intermediaries (e.g. accountants, notaries), and repeated interactions with multiple administrations.

For a Small-Medium Enterprise with 10 to 250 employees, implementing the EUBW would require the definition of the contractual arrangements with the authorised Wallet provider, the application installation and configuration, limited or no system customisations, access management, trainings and onboarding for the employees that are expected to use the Business Wallets. After the implementation and adoption of the instrument, recurring activities (potentially) offered by Wallet Providers could include maintenance and ad hoc technical support. Annual licensing fees (fixed based on the number of accounts requested and/or volume-based depending on the consumption of the solution) would be paid by the SME to use the EUBW and (optionally) to get access to technical support. For SMEs, one-off costs are estimated at €2,600 and recurring costs at €5,000. These costs come with significant benefits for SMEs derived from the reduction of administrative burdens, lower

compliance costs (that are proportionally more significant than for corporates), and enhanced cross-border interactions. Annual direct benefits for SMEs are expected at €42,250.

For a Corporate with more than 250 employees, implementing the EUBW will require extensive collaboration with the selected Wallet provider for the installation and configuration of desktop and mobile applications, customisation of systems, possible integration of the Wallet with the various ERPs, CRMs and other IT systems and tools of the organisation, data management and governance, account creations and access management, trainings and onboarding of the employees that are expected to use the Wallet. Contract management and risks assessment activities will also be needed. After the implementation of the Wallet, corporates will likely need significant assistance from the Wallet provider or other intermediaries on maintenance and technical support based on the Service Level Agreements and Service Level Objectives agreed with the Wallet provider, plus potentially new software developments/updates based on the organisation's needs. As mentioned for the SMEs, licensing fees will apply. For corporates, one-off costs are estimated at €180,000 and recurring costs at €50,000. These costs come with significant benefits for corporates derived from the reduction of administrative burdens, lower compliance costs, facilitated processes to identify and authorise the multitude of suppliers and partners corporates work with, securing and storing the large amount of data held, enhanced cross-border interactions, etc. Annual direct benefits for corporates are expected at €97,300.

PSBs at EU, national, regional and local levels will also be directly affected. The initiative will help reduce fragmentation between national systems, facilitate cross-border cooperation, and generate efficiency gains allowing PSBs to improve the quality and consistency of public service delivery across the Union. To achieve such benefits, which also depend on wide EO adoption, PSPs will be incurring costs.

For PSBs, one-off costs relate mainly to training and onboarding, activation and IT implementation and procurement costs, whilst recurring cost to licensing fees and maintenance costs.. The cost methodology accounts for the different sizes of PSBs, ensuring that each can participate efficiently and proportionately in the deployment of the European Business Wallets. To provide an overall picture of the expected investment, figures are presented as aggregated values for the purpose of this assessment. Overall, total costs for all PSBs are expected to amount to €7.33 billion per year, split between €6.18 billion of one-off costs and €1.15 billion of recurring costs. In return, PSBs will benefit from faster processing of applications, fewer errors in submitted documentation, and more efficient cross-border cooperation. This will lead to annual direct benefits of, on average, €199,600 per PSB and total annual direct benefits for all PSBs of €19.13 billion in the theoretical scenario of 100% usage.

Providers of European Business Wallets will be subject to certain administrative and establishment requirements. They are required to be established in the Union, they will need to undergo a notification process and be listed in a List of Providers. They will be subject to organisational requirements as they will need to ensure the uniform implementation of technical and organisational measures, cooperate with supervisory authorities, inform and notify users. These requirements entail compliance and operational costs. However, providers will gain access to a rapidly expanding EU-wide market (see in the table below) and will retain freedom to integrate innovative and additional features with a flexible approach as part of their commercial offering tailored to specific business needs.

2. SUMMARY OF COSTS AND BENEFITS

Table 16 – Overview of benefits: preferred option

Overview of Benefits (total for all PSBs and EOs) – Preferred option			
Description	***Amount (min)***	***Amount (max)***	***Comments***
Direct benefits			
Cost-savings – reduction or elimination of manual processes	€58.42 BLN	€168.79 BLN	Based on range 4, with 75% usage rate.
Indirect benefits			
Economic opportunities and market competitiveness	€10.15 BLN	Indirect benefits assessed at minimum potential only	
Trust and resilience	€16.66 BLN	Indirect benefits assessed at minimum potential only	
Environmental sustainability	Not quantified	Indirect benefits assessed at minimum potential only	

Table 17 – Overview of costs: preferred option

Overview of costs: preferred option					
		Economic Operators			Public Sector Bodies
		Micro	Small-Medium	Corporates	Small LAUs Mid-Large LAUs Central administrations (regional/national/EU)
One-off costs	Training and onboarding costs	€520	€1,400	€14,000	€28,531
	Activation and IT implementation costs	€100	€800	€150,000	€26,890
	Contracting /Procurement costs	€0	€400	€16,000	€9,121
Recurring	Licensing fees and maintenance	€500	€5,000	€50,000	€11,956

3. RELEVANT SUSTAINABLE DEVELOPMENT GOALS

Table 18 – Relevant Sustainable Development Goals: preferred option

Overview of relevant Sustainable Development Goals – preferred option		
Relevant SDG	**Expected progress towards the Goal**	**Comments**

SDG 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Positive	Expected improvements in the business environment, particularly for SMEs and microenterprises. This would encourage entrepreneurship, scale-up and competitiveness.
SDG 9 – Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Positive	Advances digital public infrastructures, supporting cross-border digital identity solutions and innovation in trust services.
SDG 12 – Ensure sustainable consumption and production patterns	Positive	Further digitalisation of compliance and reporting processes is expected to reduce paper use and waste.

ANNEX 4: ANALYTICAL METHODS

1. SCOPE

The total number of entities in the EU, covering both PSBs and EOs, was estimated based on data from literature from multiple sources[128].

The number of PSBs in the EU was estimated at **95,825** combining Local Administrative Units (LAUs) and a representative set of central administrations consisting of regional administrations, national administrations, and European Union institutions, agencies, offices and bodies (EUIBAs). Of this total figure, 95,068 correspond to LAUs as defined in the LAU classification in the Nomenclature of Territorial Units for Statistics (NUTS)[129]. LAUs were further divided into two categories: small LAUs[130] (76.6% of all PSBs), and mid-large LAUs[131] (22.6%). For 188 LAUs, it was not possible to derive population data[132]. The figure of 757 PSBs (0.8%), relates to a representative set of central administrations, drawing on *proxies* to estimate the sum of national central administrations[133], regional central administrations[134], and 79 EUIBAs[135].

Table 19 – Scope: number of PSBs in the EU

Public Sector Bodies	No. in the EU
Central administrations (regional, national, EU)	757
Mid-Large LAUs	21,658
Small LAUs (<5.000 inhabitants)	73,410
Total	**95,825**

[128] See *Business Wallet Study*, NTT Data, October 2025, Annex 3, 7.1.1., Table 21 and Table 23.
[129] Local administrative units (LAU) - NUTS - Nomenclature of territorial units for statistics - Eurostat. The data were also verified against the Barometer of Local Institutional Reforms in Europe LOCAL AUTHORITIES | Barometre.
[130] Amounting to 73 410. Defined as local administrations in municipalities with *fewer* than 5 000 inhabitants.
[131] Amounting to 21 658. Defined as local administrations in municipalities with *more* than 5 000 inhabitants.
[132] See *Business Wallet Study*, NTT Data, October 2024, Annex 3, 7.1.1, Table 21: Distribution of Public Administrations by size. The 188 municipalities with unknown population data were distributed proportionally: 145 to Small LAUs and 43 to Mid-Large LAUs.
[133] 434 national central administrations, based on the *proxy* of the number of ministries by Member States. Source: European Institute for Gender Equality, 2024. https://eige.europa.eu/sites/default/files/wmid_mapping_natadmin_1.pdf
[134] 244 regional central administrations. Source: NUTS 2 Classification https://ec.europa.eu/eurostat/documents/345175/629341/NUTS2021-NUTS2024.xlsx/2b35915f-9c14-6841-8197-353408c4522d?t=1717505289640. The level at which regions are defined as administrative units can vary by Member State.
[135] https://european-union.europa.eu/institutions-law-budget/institutions-and-bodies_en. The number of EUIBAs has been included in the number of the central administrations calculated in the context of the Business Wallet Study.

For EOs, the figure of **32,721,957** was derived from Eurostat data 2023[136] and split into three categories: microenterprises with fewer than 10 employees, SMEs with 10 to 250 employees[137], and large corporates with more than 250 employees. Microenterprises accounted for by far the largest share, with 30,836, 373 entities (94.2% of all EOs). SMEs with at least 10 employees numbered 1,832, 523 (5.6%), while large corporates represented 53,061 entities (0.2%).

Table 20 – Scope: number of EOs in the EU

Economic Operators	No. in the EU
Micro (<10)	30,836,373
SME (10-249)	1,832,523
Large (250+)	53,061
Total	**32,721,957**

2. ESTIMATING THE ADOPTION RATE FOR PSBS AND EOS

To estimate the **adoption rate** of European Business Wallets **by PSBs**, which are expected to enable the use of the minimum functionalities of the European Business Wallets by EOs, it was assumed that adoption by PSBs is 100% irrespective of EO adoption ranges[138].

In the accompanying study to this Staff Working Document, a methodology was developed[139] to assess the potential adoption of the EUBW by PSBs based on geography, maturity of digital public services for businesses and pre-filled form indicators (as scored in the DESI dashboard), and whether the Member State in question is an early adopter of the EUDI wallet. However, the resulting classifications were not used further but have been retained in the study for future reference on capturing the complexities may vary across Member States.

The adoption rate of EOs was considered on a progressive scale of ranges, from a conservative low-adoption case (range 1) to a universal adoption scenario (range 4), with intermediate cases (ranges 2 and 3) reflecting progressively higher levels of uptake.

A dedicated methodological approach is applied to estimating the adoption rate of EOs in the most conservative scenario, range 1, based on a **readiness index of EOs** designed to assess the likelihood of voluntary adoption of the European Business Wallet. This readiness index is a composite indicator, referring to different categories of EOs, and built around two drivers: (i) whether the EO operates

[136] Eurostat data from 2023 were used, rather than more recent data from 2024, to ensure consistency with the Business Wallet Study, which relied on 2023 figures due to the lack of more up-to-date information on the intra-EU cross-border activity of EOs.
[137] The new category of "SMEs with 10 to 250 employees" was created by merging two categories that are normally distinguished in Eurostat classifications, namely "SMEs with 10 to 49 employees" and "SMEs with 50 to 250 employees". This aggregation was made for the purposes of the present analysis in order to simplify the assessment of costs and benefits for the European Business Wallets.
[138] See *Business Wallet Study*, NTT Data, October 2025, Annex 3, 7.1.1.
[139] See *Business Wallet Study*, NTT Data, October 2025, Annex 3, 7.1.2., Box 6: Considerations on MS readiness to adopt the EUBW.

across borders within the EU[140] and (ii) the extent to which the EO is digitalised[141]. Literature sources provided the data for all drivers and categories[142] except one: the percentage of highly digitalised microenterprises, for which no data were available. In this case, the figure was derived by projecting the ratio between driver (ii) and driver (i)[143]. The resulting readiness index ranges from 9% for microenterprises to 86% for large corporates. Applied across category, this corresponds an overall readiness rate of **10.43%**[144]. for **EOs**. This figure was taken as a reference for **range 1**.

If range 1 considers that only EOs with a combination of intra-EU cross-border activity and high levels of digitalisation would adopt the European Business Wallets, ranges 2 and 3 are set with a top-down approach reflecting progressive levels of adoption of the EUBW.

Range 4 is the case of adoption by 75% of the 32,721,957 EOs. The 75% threshold represents a realistic estimate of expected adoption in a best-case scenario. It is also consistent with industry expectations as taken from the DigitalEurope target KPI for the percentage of European businesses to be using business wallets for cross-border legal, administrative and commercial interactions by 2030[145].

3. ESTIMATING COSTS: OVERVIEW OF THE COST CATEGORIES

The annual costs for PSBs and EOs using the European Business Wallet were estimated on the basis of desk research of publicly available information, studies and reports from the literature, the European Business Wallet support study[146], expert input, as well as internal studies[147]. They were then grouped into one-off costs (training and onboarding, activation and IT implementation, procurement) and recurring costs (licensing fees and maintenance). For PSBs, the size of

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[140] Estimate based on the percentage of EOs with intra-EU cross border activities. Micro (<10 employees): 10%; Small (10-49): 41%; Medium (50-249): 64%; Large (≥250) 85%. https://doi.org/10.2908/EXT_TEC01

[141] Estimate based on the percentage of EOs with high and very high digital intensity. Micro (<10 employees): not available; Small (10-49): 28%; Medium (50-249): 58%; Large (≥250) 86%. https://doi.org/10.2908/ISOC_E_DII

[142] See *Business Wallet Study*, NTT Data, October 2025, Annex 3, 7.1.1., Table 23: Overview of the Economic Operators' landscape in terms of trade engagement levels and digitalisation.

[143] Eurostat data for micro enterprises is not available; the 7% figure is an estimate based on the digitalisation-to-cross-border activity ratio observed in small enterprises (0.68), accounting for the empirical observation that the ratio diminishes with the size of the EO.

[144] The readiness index is calculated an average between driver (i) and driver (ii). The categorisation of SMEs (10-250 employees) is split into SMEs (10-49) with readiness index of 35%, and SMEs (50-250) with readiness index of 61%. See *Business Wallet Study*, NTT Data, October 2025, Table 23: Overview of the Economic Operators' landscape in terms of trade engagement levels and digitalisation.

[145] The DigitalEurope KPI is linked to one of a number of pan-European scalable tech investment projects aimed at different sectors, specifically public administration. The projects are part of a European AI & Tech Declaration launched in September 2025 and championed by DigitalEurope to spur concrete action to strengthen Europe's competitiveness, innovation capacity and digital sovereignty. This commitment is materialised in a letter signed by 41 CEOs from Europe's leading digitalising companies and trade associations. See here for letter: https://www.digitaleurope.org/the-ceo-letter/. The initiative calls for the deployment of a European Digital Business Wallet under the EU Digital Identity Framework; the mandatory use of such wallets by the public sector; full integration with national registries, EUDI wallet infrastructure, trust services and sectoral credential authorities; a standardised EU-wide mandate management system; technical integration with other systems; and the launch of a dedicated EU funding programme.

[146] *Business Wallet Study*, NTT Data, October 2025.

[147] Estimates based on internal research, using publicly available sources and expert input.

administrations was taken into account[148] and for the cost estimations, obtained by desk research, the PSBs considered where those having EOs in their target audience.

On training and onboarding costs, the analysis of the Business Wallet study[149] focused on one-off expenditure associated with employee training and familiarisation. For PSBs, the following formula was applied: Training Cost = Tariff * Time * Quantity, where the Tariff is the cost per hour of training, Time is the average number of hours spent on training, and Quantity is the average number of employees per entity.

On this basis, the weighted average training cost per PSB was estimated at €28,531, derived from an hourly salary of €19.55[150] (Tariff) an average of 10 hours[151] of training (Time) and a weighting based on the number of civil servants per type of PSB entity (ie small local authority, mid-large authorities and central administrations) [152]. The total estimated training and onboarding costs for all PSBs amounts to €2.73 billion. For EOs, the calculation was adjusted by applying a multiplier reflecting the share of employees engaged in administrative roles. For each category of EOs, the hourly salary was assumed to be €33.5[153] (Tariff). And the average training time 10 hours[154] (Time). Applying several parameters related to the EO category[155] gave an estimated annual cost of €520 for microenterprises, €1,400 for larger SMEs and €14,000 for large corporates. In total, training and onboarding costs for EOs were estimated at €19.34 billion per year.

With regard to one-off costs, activation and IT implementation costs were assessed through an internal analysis[156] that took into account a number of elements, not all of which are applicable to smaller entities. These included the installation of desktop and mobile applications, options for system customisation, creation and management of accounts, integration with business process automation software such as Enterprise Resource Planning (ERP) and Customer Relation Management (CRM) systems, and the set-up and management of databases. For PSBs, the activation and IT implementation costs are on average €26,890[157]. For EOs, estimations gave an average of

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[148] Three categories were considered: Small Local Administrative Units (LAUs) corresponding to municipalities with fewer than 5,000 inhabitants, Mid-Large LAUs, and central administrations corresponding to regional and national governmental authorities and administrations

[149] *Business Wallet Study*, NTT Data, October 2025, Section 7.1.3.

[150] Based on the European Public Administration Network (EUPAN) and with support of labour force data, the average hourly wage was estimated based on an average monthly remuneration for civil servants of €3.170 per month in 2024 distributed in 40 hours per week.

[151] From the survey conducted in the context of the Business Wallet Study.

[152] See *Business Wallet Study*, NTT Data, October 2025, Annex 3, 7.1.1., Table 25: Annual costs for Public Administrations.

[153] Based on a 2018 survey conducted on 12.000 employees in Germany by PwC.

[154] Based on the annual report on European SME 2023/24, and on Eurostat.

[155] The average number of employees per entity was set at 1.54 for microenterprises, 59.62 for SMEs and 1 035.38 for large corporates. The proportion of staff involved in administrative tasks was estimated at 100% for microenterprises, 7% for SMEs and 4% for large corporates. See *Business Wallet Study*, NTT Data, Annex 3, 7.1.2., Table 27: Annual costs for Economic Operators.

[156] Estimates based on using publicly available sources and expert input.

[157] For each category of PSB the estimations were conducted based on the number of FTEs needed to work on all the aspects of IT implementation and integration

€382 per entity, divided into €100 per microenterprises[158], €800 for larger SMEs[159], and €150,000 for corporates[160].

Procurement costs cover the preparation of selection procedures for identifying the European Business Wallet providers. For PSBs, they were estimated at €9,062 per entity. For EOs, contracting costs were considered to be negligible for microenterprises, and they were estimated at €400 for larger SMEs[161], and at €16,000 for corporates[162].

Licensing fees represent recurring costs for the use of EUBW services, and they include maintenance cost. For PSBs, annual licensing fees were estimated at an average of €11,956 per entity. For EOs, annual licensing fees averaged €832 per entity and were estimated at: €500 for microenterprises[163], €5,000 for SMEs, and €50,000 for corporates.

4. ESTIMATING DIRECT BENEFITS

As presented in section 6.2, direct benefits, for the purpose of the analysis of the Business Wallets study[164], are defined as cost-savings derived from the digitisation or automation of manual administrative activities. Thes relate to a number of categories of administrative activities expected to be affected by the European Business Wallets[165].

The estimation of current administrative costs associated with these activities, for both PSBs and EOs, was based on the following formula used to quantify administrative burdens:

$$Administrative\ Cost = \sum (P \times Q)$$

Where:

- P (Price) = Tariff × Time
- Q (Quantity) = Number of entities × Frequency

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[158] On the assumption that most would rely on a web-based or mobile application requiring only minimal installation and configuration, without links to process automation tools.

[159] This was based on the proxy of current market prices charged by specialised providers for identification and authentication functionalities, with the lower bound representing a reduced set of onboarding and setup functionalities and assumed to be 1/5 of what could be charged for a wider set of services. Information obtained via desk research of publicly available information. Specialised providers considered (Aruba, eHerkenning, Intesi Group, Criipto, Namiral, DocuSign, Infocert) are cited solely for illustrative purposes; their mention does not imply any preference or endorsement by the European Commission.

[160] For corporates, implementation is significantly more complex. Such organisations typically require coordinated roll-outs across numerous terminals, tailor-made configurations, management of multiple accounts with differentiated access rights, and integrations with proprietary IT systems. Multiple databases may also be required, supported by dedicated project teams. Based on external benchmarks, IT set-up and integration costs were estimated based on external evidence on the implementation of advanced digital signature and authentication solutions, where setup costs are reported around EUR 80 000, with significantly higher expenditure once integration and transaction-based licensing are considered. See, for example: Forrester Consulting, The Total Economic Impact™ of Adobe Acrobat Sign, 2022.

[161] Based on expected costs for preparation of the contracts and legal costs.

[162] Based on the expected costs of the legal or procurement departments.

[163] This estimate was based on existing 'off-the-shelf' subscription models available to professionals. A range between 50 EUR and 500 EUR per year was identified assuming basic Wallet functionalities and a limited volume of transactions. However prices may vary in function of business needs and according to market dynamics.

[164] See *Business Wallet Study*, NTT Data, October 2025, Section 7.1.3 Estimating benefits.

[165] See Table 7 in Chapter 6, Section 2.

➔ *Administrative Cost=∑(Tariff×Time×Nº of entities×Frequency)*

This approach was applied across the different categories of administrative activities. The tariff corresponds to the average hourly wage. For PSBs, it was estimated at €19.8 per hour, based on the weighted average hourly labour cost for civil servants across all EU Member States. For EOs, it was estimated at €33.5 per hour, based Eurostat data for average hourly labour cost in the EU. Time refers to the average number of hours required to complete each activity. For PSBs, data were obtained from the survey of the Business Wallet study[166] and from secondary sources for EOs[167]. Frequency refers to the average number of times each activity is carried out annually. Data were obtained from the survey for both PSBs and EOs[168].

The resulting direct benefits were calculated as a weighted average of €199,600 for PSBs[169] and €6,290 for EOs. For EOs, segmentation by enterprise size enabled a more accurate estimation of costs and benefits representative of the European context. The resulting weighted averages were €4,000 for microenterprises, €42,250 for other SMEs, €97,300 for corporates with >250 employees[170].

5. RANGES OF ADOPTION FOR ECONOMIC OPERATORS AND NET DIRECT BENEFITS

Chapter 7 described the approach for benefit calculation, according to different adoption ranges referred to economic operators taking up the instrument. If the adoption rate is set at 100% for PSBs, EOs have four possible adoption ranges: 10%, 33%, 50%, and 75%. The direct benefits are estimated as a function of adoption rates by EOs. For the purpose of the cost-benefit analysis, the following definitions were used:

- *Adoption rate*: the share of stakeholders that will have adopted the EUBW. Adoption automatically generates costs regardless of whether the tool is actively used in interactions with other EUBW owners.
- *Usage rate*: the effective use of the EUBW in practice, derived from the engagement EOs have with PSBs. It is calculated by multiplying the different levels of EO adoption rates by the PSB adoption rate. Usage, rather than adoption alone, determines the extent to which stakeholders can realise benefits, since adoption without actual use yields no cost savings.

The adoption rate for PSBs is assumed to be at 100%, reflecting the requirement for PSBs to enable the use of the core functionalities of European Business Wallets by EOs (i.e., proving identity, signing/sealing, submitting documents, or receiving official notifications). For EOs, a set of adoption ranges has been defined to capture progressively higher potential levels of adoption:

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[166] From responses to the question: "Approximately, how much time does one person take to perform this activity once?". See *Business Wallet Study*, NTT Data, October 2025, Section 7.1.3 Estimating benefits.

[167] Existing literature considered by the Business Wallet study included: Directorate General for Inter-Ministerial Coordination Department of the Presidency, Government of Catalonia. (2017). *The Unit Costs System for the quantification of administrative burdens: a simple way to measure*. Available at: https://canalempresa.gencat.cat/web/.content/00_subhome_fue/transparencia-i-qualitat/Documents_visita_estudi_bcn/PAULA-ORTI-i-DAVID-RAMOS-Quantification-administrative-burdens.pdf

[168] From responses to the question: "How frequently is this activity performed in your organisation?". See *Business Wallet Study*, NTT Data, October 2025, Section 7.1.3 Estimating benefits.

[169] See *Business Wallet Study*, NTT Data, October 2025, Section 7.1.3 Estimating benefits, Table 29: Annual benefits by category for an average Public Administration.

[170] See *Business Wallet Study*, NTT Data, October 2025, Section 7.1.3 Estimating benefits, Table 31: Annual benefits by category for Economic Operators

- Range 1 (10.43%) represents the estimated share of EOs whose readiness to adopt the EUBW is based on a combination of two factors: activity across-borders in the EU and high digital intensity[171]
- Range 2 (33%) represents the assumption that one third of EOs will adopt the EUBW. This range is consistent with the threshold used to estimate adoption in the 2021 Impact Assessment[172]
- Range 3 (50%) represents the assumption that one half of EOs will adopt the EUBW.
- Range 4 (75%) represents a realistic upper bound adoption target of the EUBW by EOs, and is also in line with industry ambitions as derived from the DigitalEurope KPI for use of business wallets by 2030[173]

So, for example, where there would be a 75% adoption rate by EOs, the usage rate for PSBs would also be 75%, as it is the PSB adoption rate of 100% multiplied by the 75% EO adoption rate. Finally, the total achievable level of benefits is a theoretical scenario of 100% adoption by all EOs.

This section provides an overview of the variation of annual direct benefits as the EO adoption scenario move progressively from the most conservative range 1 to range 4 of adoption by all EOs. For this purpose, only maximum net direct benefits are considered. A full overview of all ranges and the with all information on the numbers of stakeholders and the respective average costs and benefits for EOs and PSBs is provided at the end of this Annex.

Under **range 1**, where only 10.43% of EOs adopt the instruments, total net direct benefits (i.e. benefits less costs) are positive (€9.82 billion) as of the first year after adoption. However, PSBs record negative net benefits in the initial phase namely the first year after adoption (–€5.33 billion), as one-off adoption and onboarding costs outweigh the gross benefits. This trend reverses as of year two, once the one-off costs have been absorbed, resulting in positive net benefits for PSBs (€0.85 billion). By contrast, EOs generate substantial positive net benefits from the outset (€15.15 billion in year one, increasing to €18.64 billion in year two).

Table 21– Annual net direct benefits:~10% usage (range 1)

Net benefits (€ bn)	Range 1		
	PSBs	EOs	TOTAL
Gross benefits	2.00	21.48	23.48
Costs (one-off)	6.18	3.49	9.67
Costs (recurring)	1.15	2.84	3.99

[171] Calculation based on readiness index combining rates of highly digitised companies and of companies operating across borders within the EU. See *Business Wallet Study*, NTT Data, October 2025, Annex 3, Table 23 (Overview of the Economic Operators' landscape in terms of trade engagement levels and digitalisation)

[172] The 2021 Impact Assessment had three intermediary ranges: 20%, 33%, 67%. The range of 20% was substituted with the 10.43% resulting from the analysis of the support study, and the range of 67% was substituted with the 50% representing a near midpoint between 33% and the maximum threshold of 75%. Regarding the 2021 Impact Assessment, see the section on economic impacts of the *Study to support the impact assessment for the revision of the eIDAS regulation*, PWC and DLA Piper, 2021, pages 135 and following. https://data.europa.eu/doi/10.2759/671740

[173] Derived from the proposed DigitalEurope target KPI for business wallet use in cross-border legal, administrative and commercial interactions by EU businesses by 2030; see: https://www.digitaleurope.org/public-administration/. See more in Annex 4.

Y1 net benefits	-5.33	15.15	**9.82**
Y2 net benefits	0.85	18.64	**19.49**

Despite these overall net benefits, usage rates would remain fairly low under this range. With only 10.43% usage by both PSBs and EOs, the EUBWs would not achieve the critical scale required to transform administrative processes or to reach the aimed levels of burden reduction. The absence of widespread use in turn would prevent the establishment of a trusted, standardised environment for business–government interactions across the Union.

While range 1 demonstrates that the EUBWs can generate positive net benefits even under conservative conditions, its limited scale makes it suboptimal. Efficiency is not fully achieved, as costs exceed benefits for PSBs in the short run, and effectiveness is constrained, since relatively low usage prevents the generation of sufficient network effects. The policy objectives would therefore be only partially met.

Under **range 2**, where one third of EOs adopt the EUBW, all categories show positive net benefits as of the second year. For PSBs, the net benefits are negative at €1.02 billion in year one and become positive at €5.16 billion in year two. EOs register even stronger results, with net benefits of €47.94 billion in year one, rising to €59.97 billion in year two. Overall, total net benefits amount to €46.92 billion in year one and €64.13 billion in year two.

Table 22– Annual net direct benefits:33% usage (range 2)

Net benefits (€ bn)	**Range 2**		
	PSBs	**EOs**	**TOTAL**
Gross benefits	6.31	67.96	74.27
Costs (one-off)	6.18	11.03	17.21
Costs (recurring)	1.15	8.99	10.14
Y1 net benefits	-1.02	47.94	**46.92**
Y2 net benefits	5.16	58.97	**64.13**

Compared with range 1, the higher usage rate of about one third (33%) for both PSBs and EOs translates into substantially larger benefits. This usage rate ensures that PSBs reach a sufficient level of usage to recover their initial costs and realise additional gains. At this level of usage, at least 9 million microenterprises are included[174], alongside larger SMEs and corporates. The involvement of microenterprises is key, given their centrality to the EU economy, but with an average size of only 1.5 employees they frequently lack dedicated staff for compliance. As a result, they are

[174] This calculation reflects the composition of EOs: out of a total of 32,721,957 economic operators, 53,061 are corporates with more than 250 employees and 1,832,523 are SMEs with 10–249 employees. The remainder are microenterprises with fewer than 10 employees, representing over 94% of all EOs.

disproportionately affected by administrative requirements. Time spent on administrative tasks reduces the resources that microenterprises can devote to business development, revenue generation and innovation, and in some cases affects their overall resilience. The wide participation of microenterprises therefore broadens the base of users and creates stronger network effects, making the EUBW more effective as a standard tool for business–government interactions.

In range 2, positive net benefits are delivered for all categories, combined with a critical level of adoption that enables PSBs to recover initial costs while at the same time ensuring wide participation by microenterprises. The scale of benefits and the emergence of stronger network effects make this range a more favourable outcome than range 1, while still leaving significant room for further efficiency and effectiveness gains in higher ranges. As a result, the policy objectives, e.g., simplification, cost reduction, and the creation of a trusted EU-wide business identity infrastructure, are partially met.

Under **range 3**, where all PSBs and about one half (50%) of EOs adopt the instrument, net benefits increase substantially compared with range 2. PSBs record positive net benefits of €2.24 billion in year one, rising to €8.42 billion in year two. EOs generate net benefits of €72.63 billion in year one and €89.35 billion in year two. Overall, total net benefits amount to €74.87 billion in year one and €97.77 billion in year two.

Table 23– Annual net direct benefits:50% usage (range 3)

Net benefits (€ bn)	Range 3		
	PSBs	EOs	TOTAL
Gross benefits	9.57	102.97	112.54
Costs (one-off)	6.18	16.72	22.90
Costs (recurring)	1.15	13.62	14.77
Y1 net benefits	2.24	72.63	**74.87**
Y2 net benefits	8.42	89.35	**97.77**

This higher level of adoption consolidates the efficiency gains already observed in range 2, while further strengthening network effects. The EUBW becomes more effective as a standard tool for business–government interactions across the Union, with a significantly larger scale of benefits.

Range 3 ensures positive net benefits for all categories, with PSBs recovering costs from the outset and EOs achieving very large gains. Stronger network effects and a broader user base mean that the EUBW goes towards substantially meeting the policy objectives and moves closer to their full achievement.

The assumption of 75% EO adoption leads to **range 4**, with all PSBs adopting the instrument, and a corresponding usage rate of 75% for both.

Table 24– Annual net direct benefits:75% usage (range 4)

Net benefits (€ bn)	Range 4		
	PSBs	EOs	TOTAL
Gross benefits	14.35	154.45	168.80
Costs (one-off)	6.18	25.08	31.26
Costs (recurring)	1.15	20.43	21.58
Y1 net benefits	7.02	108.94	**115.96**
Y2 net benefits	13.20	134.02	**147.22**

This range is fully aligned with the policy objectives and the intervention logic, as it implies the inclusion of the entire business community and the widespread take-up of the instrument. Financially, the effect is significant: participation by all categories of EOs is essential to unlock the highest level of benefits. Range 4 generates – by a considerable margin – the largest annual net benefits annually, both in the first year at €115.96 billion and in subsequent years at €147.22 billion. Therefore, range 4 maximises efficiency and effectiveness and helps to fully achieve the objectives of the proposal. Existing Union initiatives for digital transformation and capacity-building, which can help alleviate training and adaptation costs, could support the attainment of the highest levels of adoption and usage of the EUBW, thus reinforcing the maximisation of the benefits.

It should also be noted that SMEs are well positioned to benefit from usage of the EUBW. In particular, the overall cost–benefit balance is especially favourable to them: total costs (one-off and recurring) are estimated to represent only around 24% of the direct benefits, and as of year two the cost-benefit ratio further reduces to 12%, implying significant savings potential. By comparison, in year 2, corporates' cost-benefit ratio is 51%.

6. TEN-YEAR COST-BENEFIT ANALYSIS

The Cost-Benefit Analysis presented so far focuses on the first two years of implementation and use of the European Business Wallet. For a long-term perspective, an additional analysis has been conducted over a 10-year period. This time horizon is aligned with methodologies commonly applied in EU impact assessments for comparable initiatives — such as the European Digital Identity (EUDI) framework[175]. This duration is considered appropriate for capturing the medium- to long-term effects of digital infrastructure projects, enabling a comprehensive evaluation of both the initial adoption impacts and the sustained benefits over time.

With regard to direct benefits, the maximum scenario has been considered (in line with the benefits assessment for the different ranges presented above) and Range 4 at 75% adoption for EOs has been adopted (given the long-term perspective of the analysis and facilitating comparisons with the main figures presented in Chapter 6). Benefits are kept constant over the 10-year time horizon at €169bn, of which €14bn for PSBs and €155bn for EOs.

With regard to costs, one-off costs (total of €31bn) apply in year 1 only, while recurring costs (total of €22bn) apply from year 1 to year 10 included.

Total net benefits amount for €116bn in Year 1 and €147bn from Year 2 to Year 10.

To calculate the Net Present Value (NPV) of the 10-year net benefits for PSBs and EOs, a 5% nominal discount rate has been applied. This rate is composed of: a 3% real social discount rate, consistent with the European Commission's Better Regulation Guidelines and commonly used in Regulatory Impact Assessments (RIAs) across the EU; a 2% annual inflation adjustment, reflecting the European Central Bank's medium-term inflation target. The NPV for PSBs is estimated at €96bn, while the NPV for EOs is estimated at €1,011bn. This results in a total NPV of €1,107bn.

Table 25– Cost-benefit Analysis over a 10-year time horizon

10-YEAR CBA (€ bn)	YEAR 1			YEAR 2-10		
	PSBs	**EOs**	**TOTAL**	**PSBs**	**EOs**	**TOTAL**
Gross Direct benefits (max, range 4)	**14.34**	**154.45**	**168.79**	**14.34**	**154.45**	**168.79**
One-off costs	*6.18*	*25.08*	*31.25*	-	-	-
Recurring costs	*1.14*	*20.43*	*21.57*	*1.14*	*20.43*	*21.57*
Total Costs	**7.32**	**45.50**	**52.82**	**1.14**	**20.43**	**21.57**
Net Benefits	**7.02**	**108.95**	**115.97**	**13.20**	**134.02**	**147.22**

[175] European Commission. (2021). Study to support the impact assessment for the revision of the eIDAS regulation. Available at: https://digital-strategy.ec.europa.eu/en/library/study-support-impact-assessment-revision-eidas-regulation

7. SURVEY AND EXPERT INTERVIEWS

As part of the support study for the European Business Wallet, evidence was gathered through a dedicated online survey and in-depth interviews with stakeholders.

The survey targeted primarily members of the Large-Scale Pilot projects[176], given their expertise and interest in digital identity, and was also extended to other relevant stakeholders. It collected quantitative and qualitative information on:

- the profile of responding organisations (type, size, cross-border activities);
- the burden of administrative activities and the effort required to perform them;
- expected benefits from a European Business Wallet, including potential cost reductions from digitalisation and automation;
- willingness to adopt a cloud-based solution; and
- open comments and follow-up availability.

In total, 340 stakeholders were reached and 65 responses were received (a 19% response rate), including economic operators, public administrations, associations, and educational institutions.

The survey evidence was complemented by 14 in-depth interviews with selected stakeholders (out of 40 invited), covering associations, solution providers, and public administrations. These interviews provided more detailed insights on administrative burdens, potential cross-border simplification, use cases, adoption costs, and possible business models[177].

8. LIMITATIONS TO THE ANALYTICAL METHODS

The Cost-Benefit Analysis offers a structured assessment of the potential economic impact of the European Business Wallet (EUBW) and is grounded in available public data, empirical evidence, and stakeholder input. However, given the ambitious scope of this Cost-Benefit Analysis—covering a diverse and large spectrum of stakeholders and synthesizing complex assessments into actionable insights—certain limitations are inherent. These include the limited availability of public data for example on cost structures, the lack of comparable benchmarks with similar digital solutions in the European market and the challenges in approximating an advance estimate of market-driven aspects such as licensing fees, and the need to rely on average values across large and heterogeneous stakeholder segments.

For the estimation of the direct benefits, the methodology defined for the calculation of the minimum reflects the savings potential *expected* by each stakeholder category, and a limitation in that regard is represented by a relatively small number of survey responses, complemented by additional research to mitigate against any risks arising from the sample size.

For public sector bodies, weighted averages are used for both costs and benefits to allow for the calculation of net benefits. While it has been possible to segment the costs by size of PSB on the basis of headcount into national and regional administrations, large municipalities, and small municipalities, the benefits are segmented by efficiency levels, as size-based data is unavailable and efficiency is the key differentiating factor. Because it was not possible to have more granular data

[176] See Large Scale Pilots on European Commission website.
[177] See *Business Wallet Study*, NTT Data, October 2025, Annex 5: Stakeholder Consultation Synopsis.

about PSB's benefits by size, the presentation of the costs and benefits is limited to the weighted average to ensure comparability.

Assumptions regarding adoption and usage are informed by a dedicated methodological approach, the previous 2021 Impact Assessment and stakeholder positions, though future patterns may be influenced by political, technical, or behavioural factors beyond the model's reach, thus overall affecting the direct benefit estimates. Particularly, the estimation of range 1 reflects a conservative assessment on the likelihood of EOs adopting the instrument, but it should not be interpreted as a minimum adoption scenario. Moreover, the mapping of additional and indirect benefits, including those identified for quantitative estimations, are not intended to be exhaustive, and some overlap may occur across direct, additional, and indirect benefit categories.

Table 25 – Overview of net benefits across ranges, as derived from average costs of different stakeholder groups

	Public Sector Bodies				Economic Operators				Total			
	Range 1	**Range 2**	**Range 3**	**Range 4**	**Range 1**	**Range 2**	**Range 3**	**Range 4**	**Range 1**	**Range 2**	**Range 3**	**Range 4**
	10.43%	*33%*	*50%*	*75%*	*10.43%*	*33%*	*50%*	*75%*	*10.43%*	*33%*	*50%*	*75%*
Gross benefits (€bn)	1.99	6.31	9.56	14.35	21.48	67.96	102.97	154.45	23.47	74.27	112.53	168.79
Costs (one-off) (€bn)	-6.18	-6.18	-6.18	-6.18	-3.49	-11.03	-16.72	-25.08	-9.67	-17.22	-22.90	-31.26
Costs (recurring) (€bn)	-1.15	-1.15	-1.15	-1.15	-2.84	-8.99	-13.62	-20.43	-3.99	-10.13	-14.76	-21.57
Y1 net benefits (€bn)	**-5.34**	**-1.02**	**2.23**	**7.01**	**15.15**	**47.94**	**72.63**	**108.95**	**9.82**	**46.92**	**74.87**	**115.96**
Y2 net benefits (€bn)	**0.85**	**5.17**	**8.42**	**13.20**	**18.64**	**58.97**	**89.35**	**134.02**	**19.49**	**64.14**	**97.77**	**147.22**

Stakeholder group		**Number of entities**	**(Weighted) average cost (one-off)**	**(Weighted) average cost (recurring)**	**(Weighted) Average benefit**
Economic Operators	Microenterprises	30,836,373	€ 620	€ 500	€ 4,000
	SMEs	1,832,523	€ 2,600	€ 5,000	€ 42,250
	Corporates	53,061	€ 180,000	€ 50,000	€ 97,300
	Total	**32,721,957**			
Public Sector Bodies		95,825	€ 64,542	€ 11,956	€ 199,600

ANNEX 5: COMPETITIVENESS CHECK

1. OVERVIEW OF IMPACTS ON COMPETITIVENESS

Table 26– Overview of impacts on competitiveness

Dimensions of Competitiveness	Impact of the initiative (++ / + / 0 / - / -- / n.a.)	References to sub-sections of the main report or annexes
Cost and price competitiveness	++	Section 6 of the main report
International competitiveness	+	Section 6 of the main report
Capacity to innovate	+	Section 6 of the main report
SME competitiveness	++	Section 6 of the main report and Annex 6

2. SYNTHETIC ASSESSMENT

The proposed Regulation for the European Business Wallets is expected to have numerous impacts on EU business competitiveness.

The initiative is expected to have a strong positive impact in terms of cost and price competitiveness. Initial compliance costs will be outweighed by long-term efficiency gains and reduced administrative burdens, resulting in cost savings. Economic operators and public sector bodies will face one-off costs for training and onboarding, activation and IT implementation, and contracting/procurement costs as well as recurring costs for licensing fees and maintenance. Overall, assuming the 75% adoption of the European Business Wallets, the total estimated costs for all EOs amounts to €40.5 billion in the first year, split between €25.1 billion of one-off costs and €20.4 billion of recurring costs, while total estimated costs for all PSBs amounts to €7.3 billion in the first year, split between €6.2 billion of one-off costs and €1.1 billion of recurring costs. As these figures show, costs will be concentrated mainly in the first year due to the predominance of one-off expenditures. Regarding the total maximum net benefits for both PSBs and EOs, they are expected to be positive already in year 1, regardless of the share of adoption range considered. Minimum net benefits are also positive as of year 2 for any range considered, whilst in year 1 they are positive for ranges 3 and 4[178].

The initiative could deliver immediate economic benefits in terms of cost savings by reducing or replacing manual administrative processes with digital, secure and interoperable solutions for identification and exchange of electronic attestations of attributes. The total direct benefits in case of 100% adoption by PSBs and 75% adoption by EOs, were estimated at around €168.8 billion, split into €14.3 billion for PSBs and €154.5 billion for EOs per year. For economic operators and public authorities, the elimination of redundant reporting and paper-based procedures translates into recurring efficiency gains. These benefits improve businesses' competitiveness by lowering their operational expenditure and redirecting resources to core businesses tasks, while simultaneously allowing for improvements in public service delivery.

[178] See Chapter 6 for more details on the adoption ranges.

Beyond these direct gains, the initiative generates substantial indirect benefits in the long run. In particular, the reduced time spent on administrative activities is expected to reallocate savings to improve products and services and therefore, to promote innovation. Evidence shows that every euro shifted from compliance to research and innovation can generate a multiple return in GDP gains, underlining the long-term competitiveness dividend of the initiative[179].

In addition, economic operators of all sizes will be able to expand their activities beyond national boundaries with fewer obstacles, creating new opportunities for growth and facilitating the free movement of goods and services. Simplified procedures for proving legal status, ownership, and compliance attributes, including across borders within the EU, will make it easier for entrepreneurs to set up companies abroad and potentially gain better access to finance as well. These changes in the Single Market will promote an environment that champions SMEs agility and competitiveness, ensuring their pivotal role in fortifying Europe's economic and digital landscape.

SMEs in particular stand to gain significantly from the introduction of the European Business Wallets in myriad ways, both directly and indirectly, thus making a significant contribution to the EU's 35% burden reduction target for SMEs. As the mainstay of the European economy, this category of EOs gain the most (compared to larger businesses) from lower compliance burdens, simplified procedures, and stronger participation in the Single Market. SMEs and micro-enterprises face indeed the highest costs in dealing with administrative complexity, redundant reporting and fragmented digital channels. Direct benefits are estimated at €4,000 per year for microenterprises and €42,250 for larger SMEs per single entity, but the benefits for SMEs go beyond cost savings.

Promotion of competitiveness could also originate from savings generated by fraud reduction: the initiative promotes structural improvements in the business environment by increasing data quality, which in turns improve accuracy of information and transparency and so allow for better fraud detection. This enhances resilience of the Single Markt as whole.

When it comes to the impact on international competitiveness, there is the possibility of increase in European companies' market share. By cutting administrative costs and creating trusted channels for the recognition of EOs' credentials, the Business Wallets can enhance their ability to operate with more confidence in the global market. EUBW use could benefit both European businesses operating abroad and third-country companies active in the Single Market, which, under certain conditions, may be issued a Business Wallet to interact with EU partners in a secure and predictable way. In parallel, EU providers of trust services would have the opportunity to scale-up and cover a larger share of the international market, strengthening the EU's position as a standard-setter in secure digital infrastructure.

The initiative is expected to stimulate innovation capacity both for service providers and for users of the Business Wallets. On the supply side, EUBW providers are expected to bundle core functionalities with value-added services tailored to sector-specific needs, thereby enabling the emergence of new business models and fostering technological advancement and investments in innovative functionalities. The market for digital identity and trust services is expanding rapidly, with growing demand for functionalities such as identification, authentication, issuance, storage

[179] For every euro invested Horizon Europe generates up to €11 of economic gains in terms of increased GDP per capita https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1115

and exchange of electronic attestations of attributes, and qualified electronic delivery services. This market is expected to grow to between €20.6 and €54.3 billion by 2030. The segment directly relevant to the European Business Wallets is estimated at €1.0–€1.7 billion in 2024, with growth to €4.8–€10.3 billion by 2030. For providers, this creates clear opportunities to grow their customer base from natural persons to the over 30 million businesses operating in the EU.

3. COMPETITIVE POSITION OF THE MOST AFFECTED SECTORS

The proposed initiative is sector-agnostic, meaning that the Business Wallets regulation does not single out specific industries for direct impact. Its primary objective is to reduce compliance hurdles faced by economic operators across the Single Market and to facilitate more efficient interactions with public sector bodies. Thus, the impacts are cross-sectoral by design, rather than concentrated in specific industries.

At the same time, it is important to note that the Draghi Report identified digitalisation and advanced technologies as areas where Europe faces a structural competitive disadvantage vis-à-vis other global players. The report notes the close link between company size and technology adoption, with higher levels of adoption of advanced technologies with larger firms. By promoting trusted digital infrastructures and interoperability, the European Business Wallets contribute indirectly to strengthening Europe's competitiveness in this sector. It does so by lowering barriers to the uptake of digital solutions, creating new opportunities for innovation, and ensuring that companies – particularly SMEs – can more easily engage in cross border trade while being able to redirect resources from compliance towards higher-value activities such as digital transformation.

In this way, while sector-agnostic in scope, the initiative aligns with the strategic objective of reinforcing the EU's position in digitalisation.

ANNEX 6: SME CHECK

OVERVIEW OF IMPACTS ON SMES

Relevance for SMEs

Building on the analysis of impact presented in this Staff Working Document and drawing also on the advice of the EU SME Envoy[180], this initiative was assessed as highly relevant for SMEs, as it directly and indirectly impacts a large number of SMEs, cutting across sectors.

Below an overview of the most relevant consideration that drove the assessment.

- Administrative burdens are the first challenge for SMEs[181]; this initiative has strong potential to reduce them. Through simplification, SMEs will be better able to manage complex administrative tasks and comply with regulatory requirements, thereby generating cost savings and being able to focus more on core business activities.
- The European Business Wallets, as integrated set of core functionalities of digital identification and trust services (i.e. proving identity, signing/sealing, submitting documents, or receiving official notifications), can enhance companies' operational efficiency (e.g. by reducing time and resources spent on manual processes). This efficiency gain frees time and resources allowing SMEs to redirect efforts and investment towards growth, competitiveness, and new product/services, thereby strengthening economic integration and fostering innovation in Europe.
- The EUBW can enhance the digitalisation of SMEs by promoting the use of secure and standardised tools to support their business activities and operations.
- SMEs, especially micro enterprises, rarely have the capacity to manage the IT integration and implementation processes into their own IT systems. The Wallets will provide a ready-to-use, user-friendly solution that can be tailored to the size and needs of the economic operators: for many SMEs, especially microenterprises, this could simply take the form of a secure web application or a mobile application.

The EUBW will also play a vital role for SMEs not yet active beyond their home markets, by lowering barriers to entry and reducing administrative hurdles to gain access to new markets in other Member States.

(1) IDENTIFICATION OF AFFECTED BUSINESSES AND ASSESSMENT OF RELEVANCE

Are SMEs directly affected? In which sectors?

Yes. The initiative applies across all sectors in which economic operators interact with public authorities for regulatory compliance and reporting. It is not limited to

[180] https://ec.europa.eu/docsroom/documents/63274
[181] Draghi report

specific industries but has been conceived as a horizontal, sector-neutral tool to reduce compliance burdens and streamline interactions between businesses and public administrations. Its impacts are therefore cross-cutting by design, ensuring that enterprises in all parts of the Single Market can benefit. In particular SMEs, which are present in every sector and often most affected by administrative complexity, stand to gain significantly from this initiative.

Estimated number of directly affected SMEs

The number of SMEs affected can theoretically reach a maximum of the entire population of SMES, estimated (Eurostat 2023) at a total of 32,668,896 SMEs, of which 30,836,373 are microenterprises with less than 10 employees.

However, account must be taken of the level of digital intensity in SMEs. 58% of SMEs have at least basic level of digital intensity[182]. These SMEs (10-49 employees) are considered very likely to choose to use the European Business Wallets. Data for microenterprises is not available for reasons of avoiding excessive burdens.

Estimated number of employees in directly affected SMEs

It is estimated that the affected SMEs employ 135.6 million people[183].

Are SMEs indirectly affected? In which sectors? What is the estimated number of indirectly affected SMEs and employees?

Yes. Indirect impacts especially affect sectors that provide services to economic operators and public sector bodies. These could include for example ICT and software development, legal and accounting services, consultancy and training, as well as trust and certification providers. SMEs dominate these sectors in Europe and many of them are likely to benefit from new business opportunities linked to the deployment and integration of the European Business Wallets.

At the same time, some service providers currently relying on paper-based or manual compliance processes may see demand for such services reduced as more exchanges become digital. On balance, however, the indirect impacts are expected to be positive, as the European Business Wallets creates opportunities for innovation and service provision, especially for digitally capable SMEs.

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[182] 58% of SMEs in the EU reached at least basic level of digital intensity in 2023. https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20240829-1. The figure was obtained by multiplying the number of EU SMEs by 58%, and assuming that all larger SMEs (10+ employees), which are 1,832,523, would all be affected as having at least basic level of digital intensity. A share of microenterprises would be affected, equal to the remaining microenterprises to reach 58% of all SMEs.

[183] Assuming an average of 1.54 employees for microenterprises, and of 59.62 employees for SMEs with more than 10 employees. See *Business Wallet Study*, NTT Data, 7.1.2, Table 27: Annual costs for Economic Operators.

Overall, the estimated number of indirectly affected SMEs could be approximated to those operating in knowledge-intensive sectors, that is one third of the SMEs[184], equal to 10,889,632, of which 9,057,109 are microenterprises. The total number of employees indirectly affected is estimated at 123.2 million.

(2) CONSULTATION OF SME STAKEHOLDERS

How has the input from the SME community been taken into consideration?

Input was gathered through the Call for Evidence, through the survey and expert interviews of the European Business Wallets accompanying study, and a series of events. These included several distinct dedicated workshops, such as those organised by the Polish Presidency, by the European Commission's DG GROW, and by the association DIGITALEUROPE, which included testimonies from SMEs on the barriers posed by administrative complexity, redundant reporting and limited access to digital channels, as well as meetings with representative organisations of SMEs. Their feedback has been reflected in the design of the initiative, particularly the emphasis on a market-driven approach and on legal recognition of notifications and documents transmitted via the European Business Wallets.

Are SMEs' views different from those of large businesses?

Yes. Though the consultation showed that SMEs and large companies broadly agree on the need for secure, interoperable, and legally valid digital tools to reduce administrative burdens and support cross-border operations, their perspectives differ however in emphasis.

For SMEs, and especially microenterprises, the main concern is the disproportionate cost of compliance. They highlighted that repetitive reporting, manual submissions, and fragmented national systems consume scarce time and resources, often at the expense of innovation or expansion. They often lack digital tools and outsource administrative tasks, raising costs. Time costs are high: 30–50% of time spent on administrative activities, 9 hours/week chasing payments, and 1.5 days/week on identity validation.

SMEs also warned that poorly coordinated EU digital initiatives could add complexity rather than reduce it, stressing the importance of alignment with instruments such as the European Digital Identity Wallet.

For larger companies, the priority is ensuring that the European Business Wallet can be integrated with existing IT infrastructures and process automation systems. The wallet concept is complex and requires server-based solutions with role-based access. Larger corporates have stressed the need for interoperability with Enterprise Resource Planning platforms, compliance management tools, and internal reporting channels to avoid duplication and maximise efficiency.

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[184] Knowledge intensive industries account See Annual report on European SMEs, 2024/2025, section 3.5.2. https://publications.jrc.ec.europa.eu/repository/handle/JRC142263

In short, in their replies SMEs emphasised simplification and cost reduction.

(3) ASSESSMENT OF IMPACTS ON SMEs[185]
What are the estimated direct costs for SMEs of the preferred policy option?
Qualitative assessment
SMEs will face one-off training and onboarding costs, IT implementation costs, and recurring licensing fees for access to European Business Wallets services. Costs are proportionately higher for microenterprises, which lack specialised staff and must divert resources from core activities. However, for certain categories of micro-enterprises, like self-employed and sole traders, there is the possibility to reduce costs by purchasing the communication channel as standalone service while using the EUDI wallet. For larger SMEs, while absolute costs are higher, these are spread across a bigger workforce and thus proportionately lower.
Quantitative assessment
Microenterprises (<10 employees): €520 training + €100 IT + €500 licensing and maintenance = €620 annual average in the first year, which is reduced to €500 yearly as of the second year. Larger SMEs (10-250 employees): €1,400 training + €800 IT + €400 contracting + €5,000 licensing and maintenance = €7,600 annual average, which is reduced to €5,000 yearly as of the second year.
What are the estimated direct benefits/cost savings for SMEs of the preferred policy option[186]?
Qualitative assessment
Direct benefits are calculated as cost savings expected from the reduction or elimination of manual and administrative processes and reporting requirements. These savings allow SMEs to redirect resources towards higher-value activities such as business development, innovation, and cross-border expansion. The benefits are especially relevant for microenterprises, where opportunity costs are higher. In line with the 'Think Small First' principle, the supporting study for the European Business Wallets initiative has analysed the pros and cons on the perspective of SMEs, when assessing each revenue stream of the business model archetypes[187].
Quantitative assessment
Annual direct benefits are estimated on average at €4,000 for microenterprises and at €42,250 for SMEs with at least 10 employees. This results in total benefits of €123.35 billion for

[185] The costs and benefits data in this annex are consistent with the data in annex 3. The preferred option includes the mitigating measures listed in section 4.
[186] The direct benefits for SMEs can also be cost savings.
[187] See *European Business Wallets*, NTT Data, October 2025, Section 3.3.

microenterprises and €77.42 billion per year for larger SMEs, accounting for 97.5% of the total direct benefits for economic operators.
What are the indirect impacts of this initiative on SMEs?
The indirect benefits described in Chapter 8 also apply to SMEs. For SMEs, and especially for microenterprises, the European Business Wallet can generate significant gains in terms of economic opportunities and market competitiveness resulting from increased entrepreneurship density and creation of new businesses, as well as from unlocked capacity of shifting resources away from compliance towards strategic activities. Furthermore, SMEs are expected to be positively impacted by an increased trust in digital public services and business processes and a strengthened resilience of digital infrastructures. Lastly, applications of the EUBW in the domain of environmental sustainability will impact SMEs. SMEs can leverage the wallet to reduce paper consumption, which is particularly relevant to microenterprises which are not reaching basic levels of digital intensity and rely heavily on paper-based processes. In addition, the EUBW may facilitate compliance in sustainability by easing reporting, which is relevant for larger SMEs. Given that SMEs represent the vast majority of European enterprises, the share of these indirect benefits attributable to them is significant.

(4) MINIMISING NEGATIVE IMPACTS ON SMES

Are SMEs disproportionately affected compared to large companies?

If yes, are there any specific subgroups of SMEs more exposed than others?

No.

While SMEs, and especially microenterprises, face relatively higher adjustment costs at the outset (e.g. training, onboarding, and IT integration), the overall cost–benefit balance is particularly favourable for them. For SMEs, total costs (one-off and recurring) are estimated to represent only around 24% of the maximum direct benefits, and as of year two the cost-benefit ratio further reduces to 12%[188], implying significant savings potential for SMEs. By comparison, in year 2, corporates' cost-benefit ratio is 51%,

Microenterprises (fewer than 10 employees) are the most exposed to administrative burden. They represent 94% of all EU enterprises and often operate with very limited administrative capacity (on average 1.5 employees). However, self-employed and sole traders (representing about 63% of microenterprises when considering 1-person enterprises only[189]) may also access the Business Wallets ecosystem by relying on their EU Digital Identity Wallets. This will enable the use of trust services, including those offered for the European Business Wallets, such as the secure communication channel as a standalone service, without the need to acquire a fully-fledged Business Wallet. Using only selected stand-alone trust service solutions may be more affordable for sole traders and self-employed individuals For these businesses, every hour spent on compliance tasks is directly taken away from revenue generation and business development. Small enterprises (10–49 employees) are also more affected than medium-sized firms, as they

[188] Range 4 of 75% usage for EOs.

[189] Based on 2023 Eurostat figures for Self-employed persons without employees (own-account workers), accounting for 19.3M in the EU and compared to the 30.8M of microenterprises in scope.

may lack the specialised staff and digital tools required to integrate new systems efficiently. The European business Wallet and particularly use cases such as the Power of Attorney, can enable SMEs to delegate administrative tasks digitally, reducing time and cost burdens for managing delegations[190], which is recognised by the European strategy to support SMEs as an area where opportunity to cut red tape are present for SMEs[191].

Have mitigating measures been included in the preferred option/proposal? (Yes/No)

Yes. The European Business Wallets will significantly lower adoption costs and administrative burdens for SMEs, particularly for microenterprises with limited resources. The preferred option relies on scalable models for the European Business Wallet, which minimise upfront IT investments and reduces the complexity of deployment for SMEs. In a market-driven approach, the emergence of business models and service propositions tailored to the needs and size of economic operators will, for example, result in solutions that are easy to access and integrate for smaller SMEs, such as simple and secure web-based applications. At the same time, the proposal ensures that core functionalities are part of the EUBW offering.

In addition, among the micro-enterprises, self-employed individuals and sole traders may also rely on their EU Digital Identity Wallets to access trust services offered for the European Business Wallets, including the secure communication channel or e-signatures, without the need to acquire a fully-fledged Business Wallet. This ensures proportionate treatment of smaller operators by preventing the imposition of an undue burden.

CONTRIBUTION TO THE 35% BURDEN REDUCTION TARGET FOR SMES

Are there any administrative cost savings relevant for the 35% burden reduction target for SMEs?

Yes. The European Business Wallets initiative is conceived around reducing the burden of administrative procedures and regulatory reporting requirements, which translate into cost saving opportunities. The expected maximum direct benefits[192] for SMEs, considering the theoretical scenario of 100% adoption, amount to €200.77 billion of cost savings annually, split into €123.35 billion for microenterprises and €77.42 billion for larger SMEs.

Based on current estimates of the administrative burden borne by SMEs across the EU, these savings correspond to a reduction well in line with, and in many cases exceeding, the 35% burden reduction target set by the European Council in March 2025. While the precise percentage contribution depends on the baseline used, the scale of savings clearly demonstrates that the initiative can deliver a substantial share of the required reduction, with particular impact for microenterprises that face the heaviest compliance costs relative to their size.

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[190] See Business Wallet Study, NTT Data, October 2025, Section 3.2.2.
[191] See European Council. (2025). *Support to small and medium-sized enterprises (SMEs).* Available at: https://www.consilium.europa.eu/en/policies/support-to-small-and-medium-sized-enterprises/#redtape
[192] Regarding range 4 of 75% usage for EOs.

ADDITIONAL INFORMATION

See Chapters 2 and 4 for the analysis of the intervention logic. See Chapters 6-7-8 for the cross-benefit analysis.