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Opinion of the European Committee of the Regions – European Business Wallets

(C/2026/5139)

Rapporteur:	Branislav ZACHARIDES (SK/ECR), Mayor of Vrútky
Reference document:	Proposal for a Regulation of the European Parliament and of the Council on the establishment of European Business Wallets COM(2025) 838 final

I. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Recital 5 – Amend

Text proposed by the European Commission	CoR amendment
In order to enhance the functioning of the digital single market, ensure interoperability and reduce administrative burdens, it is essential to ensure compatibility between and European Business Wallets and existing systems and solutions at both Union and national level. As prescribed by the Interoperable Europe Act and to enhance secure and efficient data exchanges across the Union, the implementation of the European Business Wallets should, to the extent possible, where appropriate and following technical analysis, make use of existing EU digital infrastructures and building blocks, including those developed under the Once Only Technical System, the Business Registers Interconnection System and the European Digital Identity Wallet, thereby ensuring complementarity, interoperability, and efficient use of public resources.	In order to enhance the functioning of the digital single market, ensure interoperability and reduce administrative burdens, it is essential to ensure compatibility between and European Business Wallets and existing systems and solutions at both Union and national***, as well as local and regional*** level. As prescribed by the Interoperable Europe Act and to enhance secure and efficient data exchanges across the Union, the implementation of the European Business Wallets should, to the extent possible, where appropriate and following technical analysis, make use of existing EU digital infrastructures and building blocks, including those developed under the Once Only Technical System, the Business Registers Interconnection System and the European Digital Identity Wallet, thereby ensuring complementarity, interoperability, and efficient use of public resources.

Reason

Self-explanatory.

Amendment 2

Recital 6a – New

Text proposed by the European Commission	CoR amendment
	The Union and the Member States shall provide adequate technical, capacity-building and financial support to public authorities, in particular local and regional authorities, to help them comply with the obligations laid down in this Regulation and to ensure interoperability with the European Digital Identity Wallet ecosystem. Providing support to public authorities should help ensure

Text proposed by the European Commission	CoR amendment
	consistent implementation across the Union, reduce administrative burdens and foster a favourable environment for businesses to fully benefit from European Business Wallets.

Reason

Self-explanatory.

Amendment 3

Recital 6b – New

Text proposed by the European Commission	CoR amendment
	The Union and the Member States should promote targeted awareness-raising and training activities to ensure proper uptake by economic operators of European Business Wallets, focusing particularly on measures facilitating uptake of European Business Wallets by SMEs and microenterprises. Clear information and guidance for businesses, intermediaries and public authorities are essential to promote trust in the system, encourage early adoption and ensure that the benefits of European Business Wallets are widely distributed across the Union. This should include a comprehensive and forward-looking Implementation Roadmap, identifying key milestones and use-cases within business-to-government, government-to-business and business-to-business interactions, especially for SMEs, also taking into account cross-border interoperability and interoperability with existing digital solutions at Union and Member State, as well as local and regional levels.

Reason

Self-explanatory.

Amendment 4

Recital 50

Text proposed by the European Commission	CoR amendment
To ensure that the European Business Wallets ecosystem continues to meet the needs of economic operators and public sector bodies, it is necessary to assess its implementation and impact in light of the purpose of this Regulation. The evaluation should, in particular, take into account the risk of legal fragmentation within the internal market regarding the electronic submission of documents and attestations of attributes as well as the technological developments and progression of the market for European Business Wallets and associated trust services.	To ensure that the European Business Wallets ecosystem continues to meet the needs of economic operators and public sector bodies, it is necessary to assess its implementation and impact in light of the purpose of this Regulation. The evaluation should, in particular, take into account the risk of legal fragmentation within the internal market regarding the electronic submission of documents and attestations of attributes as well as the technological developments and progression of the market for European Business Wallets and associated trust services. ***The***

Text proposed by the European Commission	CoR amendment
	evaluation should furthermore assess whether this Regulation has reduced administrative burdens and compliance costs, especially for SMEs and smaller public sector bodies, and supported the wide uptake of European Business Wallets and their respective usage for cross-border business and enhanced competitiveness.

Reason

It is important that these core objectives of the European Business Wallets are included in the evaluation.

Amendment 5

Article 21 paragraph 1

Text proposed by the European Commission	CoR amendment
The Commission shall review the application of this Regulation and shall, by [Publications Office, insert the date – 3 years after entry into force], submit a report to the European Parliament and to the Council. The report shall evaluate the effectiveness of the provisions of this Regulation with regard to facilitating the submission of electronic documents and electronic attestations ***to public sector bodies, by*** the usage of the European Business Wallets, as well as technological, market, and legal developments. The report shall also assess whether it is necessary to modify the scope of this Regulation or its specific provisions to set out an obligation for the use of the European Business Wallets to address the risks of legal fragmentation.	The Commission shall review the application of this Regulation and shall, by [Publications Office, insert the date – 3 years after entry into force], submit a report to the European Parliament and to the Council. The report shall evaluate the effectiveness of the provisions of this Regulation with regard to facilitating the ***secure digital identification and authentication of businesses, the*** submission of electronic documents and electronic attestations ***and*** the ***overall uptake and*** usage of the European Business Wallets, as well as technological, market, and legal developments***. The report shall assess whether the Regulation has reduced administrative burdens and compliance costs, especially for SMEs and smaller public sector bodies, and supported cross-border business and competitiveness. The report shall also evaluate the cross-border interoperability of the Business Wallets and interoperability with existing digital solutions at both Union and Member State level, including identifying any duplication or parallel systems***. The report shall also assess whether it is necessary to modify the scope of this Regulation or its specific provisions to set out an obligation for the use of the European Business Wallets to address the risks of legal fragmentation.

Reason

It is important that these core objectives of the European Business Wallets are included in the evaluation.

Amendment 6

Article 21 paragraph 2

Text proposed by the European Commission	CoR amendment
The report referred to in paragraph 1 shall include the following aspects: (a) the minimum core functionalities of European Business Wallets; (b) the level of compliance of	The report referred to in paragraph 1 shall include the following aspects: (a) the minimum core functionalities of European Business Wallets; (b) the level of compliance of

Text proposed by the European Commission	CoR amendment
providers of European Business Wallets and the notification procedure and criteria established in Article 11; (c) the application and functioning of the rules on penalties laid down by the Member States pursuant to Article 13; (d) the detailed requirements and technical specifications for the qualified electronic registered delivery service referred to in Article 5(1) point I; No later than one year before the report referred to in paragraph 1 is due, Member States shall provide the Commission with the information necessary for the preparation of the reports.	providers of European Business Wallets and the notification procedure and criteria established in Article 11; (c) the application and functioning of the rules on penalties laid down by the Member States pursuant to Article 13; (d) the detailed requirements and technical specifications for the qualified electronic registered delivery service referred to in Article 5(1) point I; ***(e) the adoption rate of the European Business Wallets, and relevant metrics on the use of European Business Wallets.*** No later than one year before the report referred to in paragraph 1 is due, Member States shall provide the Commission with the information necessary for the preparation of the reports.

Reason

It is important that these core objectives of the European Business Wallets are included in the evaluation.

II. **POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

General remarks on digital transformation, the single market and EU competitiveness

1. considers digital transformation to be a key lever for European competitiveness, acting as the cornerstone for economic productivity, modernisation and strategic autonomy; supports the priorities of the EU Competitiveness Compass aiming to simplify and digitalise complex and time-consuming rules and procedures that stand in the way of frictionless intra-EU trade and prevent citizens and business alike from reaping the benefits of the EU single market;

2. reiterates the findings in the Draghi report that Europe continues to add regulatory burdens onto its companies, which are especially costly for SMEs and self-defeating for those in the digital sectors, while more than half of SMEs in Europe cite regulatory obstacles and administrative burden as their greatest challenge; firmly supports the Commission's target to cut the costs of all administrative burdens by 25 % for all companies and 35 % for SMEs, which will contribute to the growth of European companies and reshoring back to Europe;

3. points to the 2025 Annual Single Market and Competitiveness Report findings that economic operators report difficulties related to accessing information and accomplishing administrative formalities online, with key problems including difficulty accessing information on rules and requirements and overly complex administrative procedures; stresses that digital tools can play a key role in facilitating access and reducing administrative burdens;

4. welcomes the proposal on European Business Wallets (EBW) as an important element of a future EU digital architecture, and supports its objectives to simplify complex administrative tasks and lower compliance costs, enabling businesses and organisations to operate more efficiently in the single market; believes that, if well designed, simple and widely adopted, EBWs have the potential to substantially accelerate scaling up and cross-border business in the single market;

5. shares the view that the EU single market needs efficient and interoperable digital tools that reduce the complexity of cross-border operations and simplify access to online public services for citizens and businesses; asserts, however, that these digital tools should avoid duplicating existing mechanisms;

6. supports the EU's Digital Decade goal of having 100 % of key public services available online by 2030; welcomes steady progress in digitalising key public services as outlined in the 2025 benchmark report ([1]), but points to the need to protect personal data and important gaps in accessibility, cross-border usability, cybersecurity and other structural barriers, especially for local and regional authorities (LRAs), that still need to be addressed in a more coordinated manner; stresses, at the same time, that digitalisation must not become a substitute for simplification and that resolute simplification should be pursued simultaneously;

7. emphasises the fundamental role of LRAs in providing secure, seamless and interoperable digital public services for citizens and in creating and managing digital infrastructure; asks the EU to co-create its digital strategies with regions and cities, supporting regional digital capacity-building and digital maturity assessment tools, as well as helping LRAs address cyber threats posed by the increased digitalisation, and recommends pooling efforts on cybersecurity at all levels ([2]);

8. stresses that further deepening of the single market must go hand-in-hand with the EU's cohesion policy, ensuring that all regions can benefit from the single market and common tools such as European Business Wallets, thereby safeguarding territorial cohesion and the freedom to stay;

A reliable and secure electronic identification in the EU

9. supports the efforts for the deployment of a reliable, secure and technology-neutral European digital identity framework, allowing citizens and businesses to securely and seamlessly authenticate and access services throughout the EU; it is essential that the Business Wallets comply with the relevant EU digital regulations, including the AI Act, to ensure transparency, accountability, and non-discrimination in all automated processes;

10. calls for a uniform uptake of digital identity wallets across the Member States to prevent the development of a multi-speed digital ecosystem in the EU, and reiterates that interoperability between different solutions in different Member States remains essential;

11. asks that digital wallets be fully integrated and aligned with the single market's digital toolbox (e.g. Single Digital Gateway and its once-only technical system (OOTS)), and urges the Commission and the Member States to tackle the remaining technical and operational obstacles that hamper the effective deployment at national, regional and local level;

European Business Wallets serving the needs of SMEs and microenterprises

12. calls for particular attention to be given to SMEs and microenterprises in the implementation of European Business Wallets, ensuring that the solution remains user-friendly for small businesses, start-ups and scale-ups so as to genuinely boost Europe's competitiveness and reduce administrative burdens; notes the potential of EBWs to bring substantial benefits for companies through a uniform, 'once-only' compliant data submission method and the reuse of digitally collected data;

13. notes that the EBW Regulation needs to take account of higher operational, legal and security complexities compared to wallets for citizens; underscores the need to build a convincing business case for SMEs, backed by genuine simplification and harmonisation of administrative processes, requirements and definitions;

14. stresses that new digital processes enabled by digital wallets must be the simplest and most cost-effective option for SMEs, in order to encourage widespread uptake and deliver real-time and compliance-related savings that offset any additional costs for SMEs;

([1]) Digital Decade 2025: eGovernment Benchmark 2025, Shaping Europe's digital future.
([2]) Expressed in the CoR opinion on the EU Cyber Solidarity Act and digital resilience.

15. calls for targeted awareness-raising and training activities, including clear information and guidance, to ensure maximum uptake of EBWs by economic operators across the EU with a particular focus on the challenges and obstacles faced by SMEs and microenterprises; believes that the EBWs should ensure affordable and equitable access for all SMEs, including microenterprises, social enterprises and cooperatives; calls on the Commission to monitor and report on the uptake of EBWs among SMEs, with a focus on reducing the digital divide between urban and rural areas;

16. stresses that giving the private sector an opportunity to develop the digital tools for European Business Wallets requires rigorous testing and continuous monitoring of the tools to guarantee full compliance with the operational, legal and security requirements during their entire period of use;

17. welcomes the proposal welcomes the proposal for the EU-wide legal company status EU Inc. to make it easier for companies to start, operate and grow in the single market; welcomes its fully digitalised procedures, and highlights the need to ensure its seamless functioning with the EBW, securing the once-only principle and minimising the administrative burden;

Supporting LRAs in meeting their obligations

18. welcomes the Commission's territorial assessment of the EBW proposal towards public authorities of different sizes, which constitutes a good basis for the assessment of real costs – particularly relevant for small local authorities with limited capacities and resources; highlights the importance of ensuring that EBW solutions remain affordable, to ensure the proposal brings real cost-savings for businesses and public sector bodies;

19. stresses that local authorities, subject to their national constitutional competences, are in charge of the core processes that will be digitised through EBWs, including public procurement, permits, licenses and notifications, and that they will be obliged under the new rules to offer new digital interaction tools to businesses; effective support and guidance is therefore critical to help local and regional public authorities meet their legal obligations safely and in a timely manner;

20. supports the objective that all public authorities provide the core functionalities of the EBW to ensure reliable and seamless cross-border digital interactions and administrative efficiency across the EU, but calls for a longer timeline for small local authorities to implement the EBW, in light of their more limited administrative capacity and higher relative compliance burden;

21. considers that no LRA should be left alone to deal with the legal and technical sensitivities and risks related to the implementation of the necessary digital tools, notably related to privacy and security, particularly as the European digital environment is exposed to various cyber threats from countries and entities that do not respect European values; therefore recommends a sufficient transition periods for public sector bodies and the provision of sufficient change management support tools;

22. notes that the rollout of European Business Wallets will entail a significant financial and operational effort, in particular for smaller local authorities; calls, therefore, for LRAs to be involved in large-scale pan-European pilots and other training and capacity-building initiatives, while also supporting them in developing and implementing campaigns to educate citizens and SMEs on the security and benefits of digital wallets, addressing potential trust issues and digital literacy barriers; reiterates that with additional financial support provided, and training for staff in authorities, interoperable digital wallets have the potential to substantially improve the efficiency of public administration and its interaction with businesses at all levels;

23. calls on the Commission to ensure that the draft Regulation is implemented in compliance with the principle of subsidiarity, ensuring that public authorities at local and regional level retain control over the management and issuance of digital wallets and related data;

24. calls for specific funding to be allocated, including from the Digital Europe Programme and its successor, the European Competitiveness Fund or national funds, as well as for practical, hands-on technical and operational support to be made available to all local and regional public authorities e.g. by the network of European Digital Innovation Hubs.

Brussels, 1 July 2026.

The President
of the European Committee of the Regions
Kata TÜTTŐ