

The Danish Government's response to the Commission's call for evidence for an impact assessment on the European Business Wallet

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Denmark welcomes the Commission's initiative and shares its ambition to reduce administrative burdens, enhance competitiveness, simplify regulatory processes, and advance the digital transition across the EU. These objectives are closely aligned with Danish digital policy priorities. With extensive experience in digital identity systems and broader digital transformation efforts across both the public and private sectors, Denmark sees the European Business Wallet (EBW) as a potentially transformative instrument – provided it is implemented with flexibility, caution, and in alignment with existing national and European digital infrastructures.

Denmark encourage the Commission to introduce a “wallet-by-default”-principle to ensure that the wallet-infrastructure is used in all relevant use-cases where there is value-added and demand.

To ensure the EBW delivers real value without unintended negative consequences, Denmark recommends the following:

1. **Address existing infrastructure gaps first:** Rather than introducing new requirements prematurely, existing challenges should be resolved. In this context, Denmark recommends removing legal persons from the eIDAS2 regulation, as these should instead be addressed comprehensively within the EBW initiative, which is better suited to accommodate the needs.
2. **Minimise mandatory implementation burdens:** Requirements for Member States should be clearly defined, gradual and limited. Obligations should not be imposed on all public sector entities, but targeted on use-cases where the added value is clearly demonstrated.
3. **Build on existing frameworks:** Leverage the eIDAS2 building blocks to create synergies, reduce duplication, and support coherent development across Member States, and ensure interoperability with other European digital infrastructures.

A strategic enabler for simplification and competitiveness

Denmark sees the EBW as a potential horizontal enabler of the Commission's simplification agenda – supporting businesses in managing national and cross-border compliance, reporting, and notification requirements through a single digital interface. We share the Commission's objectives of rationalising and simplifying the regulatory environment, with the aim of reducing administrative burdens by 25%, and acknowledges the fact that the EWB has potential to contribute significantly towards this aim.

We strongly believe that strengthening the EU's digital competitiveness requires a more integrated Single Market, fewer regulatory hurdles, increased investment, and improved conditions for innovation. If implemented correctly, the EBW can contribute meaningfully to this agenda.

With this in mind, Denmark reiterates its call for a “wallet-by-default”-principle, ensuring that both the EUDI Wallet and Business Wallets are widely used for authentication purposes in EU legislation. This principle should also be a key element in the upcoming Digital Package.

Fundamental principles for a successful EBW

Denmark fully supports the overarching objective of reducing administrative burdens. In this regard we would like to raise some concerns regarding the process, scope, and the potential for overlap with existing initiatives. In particular, it is important to avoid introducing new administrative obligations – whether for businesses or Member States – as this would contradict the initiative’s aim. Compliance requirements should be kept as light as possible.

Rather than prescribing fixed implementation models, the EBW should primarily provide a flexible framework for technical standards, specifications, and governance that supports innovation and voluntary uptake.

We also believe the EBW should be both use case-driven and responsive to actual demand. To this end, the Commission is encouraged to develop a dedicated use case strategy for the Business Wallet that highlights and promotes applications with strong potential to reduce administrative burdens for businesses. This strategy should take into account the time needed to establish the necessary infrastructure and technical specifications and technical foundations, and explore how the Business Wallet can help streamline compliance with selected EU reporting obligations and other regulatory requirements.

The importance of national flexibility and compatibility

It is crucial that the initiative delivers tangible, practical benefits for both businesses and public authorities. A *one-size-fits-all* approach risks undermining well-functioning national solutions and introducing new burdens that outweigh potential benefits. Flexibility must be a guiding principle, ensuring compatibility with national best practices, and existing national infrastructures, allowing for diverse implementation models.

For example, in Denmark, all businesses and associations with a CVR number use Digital Post to receive official communications from public authorities. Moreover, MitID Erhverv (the Danish eID solution for businesses) serves over 326,000 connected user organizations and has more than 1.3 million active users. Among these users, 88% express trust in the solution, and 89% find it secure to use. This demonstrates a high level of adoption and confidence in such digital solutions in Denmark, which must be preserved and respected.

In this context, Denmark stresses that harmonisation at the EU level must not come at the expense of effective national solutions. As a country with a long-standing tradition in digital government and regulatory simplification, we strongly advocate for maintaining flexibility and recognising existing best practices that have proven successful.

Respecting varying levels of digital maturity

The EBW must reflect the diverse levels of digital maturity across Member States. In many cases, a small number of digital self-service solutions handle the vast majority of business interactions and offer the greatest value from further digitisation.

It would be disproportionate to mandate that Member States must accept all data formats compatible with the EBW or require them to communicate solely through the wallet infrastructure – without assessing feasibility and added value.

The success of the EBW relies on a strong digital infrastructure. While digital authentication and document exchange are important components, they are not sufficient on their own. For the EBW to deliver real value, Member States must first digitise their underlying registries, databases, and administrative processes. Without this foundation, the EBW will lack the essential services and relevant digital data needed for effective exchange. Consequently, the goal of achieving a truly paperless business administration will remain out of reach.

Leverage existing initiatives to maximise impact and minimise redundancy

To ensure the EBW complements, not duplicates, existing initiatives, Denmark recommends a fit/gap analysis of the EUDI Wallet framework. This analysis should identify reusable components, pinpoint where business-specific adaptations are necessary, and consider transferring relevant elements from the eIDAS2 regulation to the EBW (inspired by omnibus packages).

With the EBW, we question whether there is still a need for the Once-Only Technical System (OOTS) under the Single Digital Gateway. We urge the Commission to examine whether use cases and interactions currently covered by the OOTS could be more effectively supported through the EWB framework, which may ultimately render parts of the OOTS redundant or obsolete.

Moreover, Denmark supports integrating a unique cross-European business identifier and harmonised Power of Attorney solutions within the EBW regulation. These elements are aligned with the eIDAS2 framework and has the potential to improve cross-border business operations significantly.

The EBW must not delay or complicate the implementation of eIDAS2, which is already a major undertaking for Member States. Denmark emphasises the importance of ensuring sufficient implementation capacity to implement eIDAS2 effectively and to avoid regulatory overload.

The EBW should establish a flexible framework based on common technical standards that enables and encourages voluntary, market-driven, and innovative EBW solutions developed by the private sector. These solutions could support, for example, cross-border payments or secure exchange of business documents such as eInvoices within trusted data ecosystems.

Any future requirements should take into account the maturity and uptake of such solutions.

It should therefore be made clear that Member States will not be responsible for providing Business Wallets. Their development should instead be led by market dynamics, allowing private actors to innovate, compete, and adapt to the evolving needs of businesses. This approach will foster a diverse ecosystem of solutions, promote efficiency, and ensure that Business Wallets are tailored to actual market demands.

In this context, we also advocate for a gradual implementation of the EBW, consistent with this market-driven model.

Call for an adequate impact assessment

Denmark notes with concern that the Commission does not plan to carry out a full impact assessment for the EBW regulation. Given the legal and operational complexity of the initiative, this is problematic. Any regulation – especially one extending or adapting the eIDAS2 framework – must be thoroughly evaluated for its administrative implications and regulatory burdens.

The 2021 eIDAS2 impact assessment does not adequately cover the challenges introduced by the EBW, particularly given the shift in subject from natural to legal persons.

Conclusion: A call for proportional, flexible and coordinated implementation

In essence, Denmark fully supports the EBW as an initiative serving to be a horizontal enabler for the Commission's simplification agenda, while the initiative, if implemented correctly and with caution, is foreseen to have the capacity to unlock the full potential of the digital Single Market. The regulation should be seen as an opportunity to limit and recalibrate burdens introduced by eIDAS2, not expand them. It must avoid overlapping obligations, ensure national flexibility, and support well-established systems already in place, and support secure identification for business-to-business interactions.

Denmark remains committed to engaging in constructive dialogue and sharing its experiences and best practices. Please find attached a technical annex with input and questions for further clarification.

We look forward to continued dialogue with the Commission and other Member States on shaping a solution that brings genuine benefits to Europe's businesses and administrations alike.

Annex: Main concerns, recommendations and clarifying questions

The Danish Agency for Digital Government oversees the national eID solution (MitID), the eID for businesses (MitID Erhverv), and Denmark's work with the European Digital Identity Wallet (EUDI Wallet). MitID Erhverv is mandatory for all Danish companies and public authorities and has effectively streamlined public-private digital interactions.

Given the maturity of Denmark's current infrastructure, it is crucial that any new EU regulation, including the EBW, provides tangible added value and does not impose disproportionate obligations.

Key Recommendations

Based on our experience with digital identity frameworks, we present three key recommendations. Our response draws on extensive experience with digital identity systems and digital transformation within both the public and private sectors.

1. Address existing gaps before imposing new requirements (Remove legal person wallets from eIDAS2)

Quote from the Call for Evidence:

"The European Business Wallet initiative will expand the European Digital Identity Framework to economic operators and public administrations."

Concern

Member States are already required under eIDAS2 to support wallets for legal persons and for natural persons representing legal persons. However, implementation guidance, technical specifications, and legal frameworks for legal person wallets are still lacking. So far, development efforts have focused almost exclusively on wallets for natural persons.

It is unclear how the proposed EBW "expands" the framework in eIDAS2 or how it would interact with, replace, or supplement existing obligations. This creates confusion and raises the risk of duplicated efforts.

Recommendation

Rather than introducing overlapping obligations, the EBW regulation should serve as an opportunity to streamline and clarify responsibilities. Specifically:

- eIDAS2 should be amended so that Member States are only obliged to support wallets for natural persons (including those representing legal persons).
- The Business Wallet should be positioned as a voluntary, market-driven tool – not a parallel mandatory system.

This approach would reduce implementation burdens and align regulatory expectations with the current level of maturity across Member States.

2. Minimize and clearly describe mandatory implementation burdens

Quotes from the Call for Evidence:

“The Business Wallet will be a tool to facilitate B2G, B2B and G2G interactions.”
“Imposing specific obligations on Member States and public administrations...”
“Accepting data in all formats compatible with the Business Wallet...”

Concern

The EBW is described ambiguously as both an "identity infrastructure" and a "tool," without clarifying whether it refers to an application, architecture, technical standard, or policy framework. This ambiguity makes it difficult to assess how the EBW complements or differs from the EUDI Wallet or existing national systems like MitID Erhverv.

Moreover, some proposed obligations – for example, accepting data in all compatible formats – are overly broad and vague. Without a clearer scope, such requirements risk becoming disproportionately burdensome for Member States, especially those that already operate successful digital systems or those with limited digital maturity.

The broad promise of EBW enabling B2B, B2G, and G2G data exchanges goes far beyond the current scope of eIDAS2 and implies substantial infrastructure and process redesign across the EU.

Recommendations

- Define who will develop and operate the Business Wallet, including responsibilities for development, maintenance, funding, liability, and operational oversight.
- Clearly specify any required actions from Member States and ensure they are proportionate, targeted, and context-sensitive.
- Frame the EBW as a flexible, standards-based framework that Member States and the private sector can adopt when there is clear demand and added value.
- Acknowledge that only a limited set of services may benefit from cross-border digital solutions; not all interactions merit inclusion under a broad EBW mandate.

3. Build upon existing frameworks to create synergies and value (Reuse eIDAS2 building blocks)

Quote from the Call for Evidence:

“The EBW will provide a single, secure, interoperable cloud-based identity solution... deploying AI and advanced analytics to reduce manual processing.”

Concern

Framing the EBW as a separate “cloud-based identity solution” risks creating a parallel system that duplicates the work and standards already established under eIDAS2. Without alignment, this could lead to fragmentation, interoperability issues, and greater costs for businesses and public administrations.

Recommendation

- Build on the technical architecture and trust service models established under eIDAS2.
- Identify which business-specific requirements truly fall outside the current eIDAS2 scope and adapt the framework only where necessary.
- Reduce certification and privacy requirements where justified by the lower sensitivity of business use cases.
- Promote adoption of common identifiers, such as a unique business ID and harmonised Power of Attorney models, across all Member States using existing building blocks.

4. Outstanding questions for clarification

To ensure that the EBW regulation is fit-for-purpose and proportionate, we kindly ask the Commission to clarify:

1. Who will provide and operate the EBW? Will it be a single EU-provided tool or market-based? Who will ensure operational continuity, governance, and funding?
2. What formats are considered “compatible”? What technical obligations follow from the requirement to “accept data” in these formats?
3. How will the regulation account for Member States that already have mature systems, like MitID Erhverv? What steps will be taken to avoid disrupting functioning solutions?
4. How will the EBW be designed to accommodate Member States with less developed infrastructure, including registries and administrative processes essential to digital transactions?
5. Who will be required to use the “secure and legally recognized channels,” and for what types of interactions? What legal implications follow from these requirements?
6. How will the Commission ensure that the impact assessment is methodologically sound and reflects realistic cost-benefit scenarios across different Member States? Claims such as the €2 trillion in annual losses due to reporting requirements must be substantiated with clear evidence.