

Establishment of European Business Wallets

2025/0358(COD) - 19/11/2025 - Legislative proposal

PURPOSE: to establish the European Business Wallets to streamline and secure interactions between businesses and public authorities across the EU.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the current drive for simplification and digitalisation is anchored in the Union's political agenda. The EU's Strategic Agenda 2024–2029 and the Commission's Competitiveness Compass all underline the urgency of reducing administrative burdens, with explicit targets of a 25% reduction in overall burdens and 35% for SMEs. The Draghi and Letta reports identify fragmentation and administrative complexity as major obstacles to Europe's competitiveness, while President von der Leyen's 2025 State of the Union made clear that internal barriers continue to hinder economic operators more than external ones. In March and June 2025, the European Council reaffirmed the need for 'simplicity by design' and in early 2025 the Commission explicitly identified the establishment of European Business Wallets as a cornerstone of a simpler and faster Europe.

The European Business Wallets proposal builds on and extends the ecosystem established under the European Digital Identity Framework (EUDI) - Regulation (EU) 910/2014 on electronic identification and trust services for electronic transactions in the internal market, as amended by Regulation (EU) 2024/1183. The European Business Wallets aim to complement the EUDI Framework by offering functionalities tailored to the needs of public sector bodies and economic operators, including the digital management of representation rights and mandates, and a secure channel for exchanging official documents and attestations supported by a common directory.

Moreover, this proposal is part of a broader 'Digital Omnibus package' to simplify EU rules to make the EU economy more competitive and more prosperous by making business in the EU simpler, less costly and more efficient.

CONTENT: against this background, the European Business Wallets proposal delivers on the simplification demand by achieving the following specific objectives:

- reduce administrative burdens, streamline compliance processes, and improve service delivery;
- ensure economic operators and public sector bodies have access to secure and trusted digital identification across borders, meeting user needs and demand;

In particular, it:

- establishes a framework for the provision of European Business Wallets;
- establishes the principle of **equivalence**, giving equivalent legal effect to actions and transactions carried out through a European Business Wallet as to actions and transactions lawfully carried out in person, in paper form, or via any other means or processes that would be deemed compliant with applicable legal, administrative, or procedural requirements;

- establishes rules for the **issuance** of European Business Wallet owner identification data for the identification of economic operators and public sector bodies;
- establishes the European Digital Directory which will be operated and maintained by the Commission;
- designates the European unique identifier (EUID), as established and governed by Directive (EU) 2017/1132, as the **unique identifier** for European Business Wallet owners, and establishes a similar unique identifier for European Business Wallets owners to whom the European Unique Identifier is not available;
- lays down the **notification mechanism** under which providers of European Business Wallets will be established;
- lays down obligations for public sector bodies concerning European Business Wallets;
- provides a framework for the **supervision** of Union entities, where such public sector bodies provide European Business Wallets;
- provides a framework for the **recognition of third-country systems** similar to the European Business Wallets and the issuance of European Business Wallets to third country economic operators. This approach allows the EU to facilitate trusted global exchanges with non-EU partners while maintaining the Union's high standards for digital identity, authentication, and data integrity.

Lastly, it should be added that the use of European Digital Identity Wallets will be **voluntary**. Access to public and private services, access to the labour market and freedom to conduct business shall not in any way be restricted or made disadvantageous to natural persons that do not use European Digital Identity Wallets. It will remain possible to access public and private services by other existing identification and authentication means.