



Building the reporting landscape of the future

Imagine a future where the burdens of unnecessary paperwork no longer hinder innovation and growth. Where digital solutions automatically manage data collection, processing, seamless data sharing and reporting. Where businesses have moved resources from compliance to investing in their green transition and competitiveness.

This future is achievable. And it should be built in Europe.

Together we have set world-leading standards for sustainability reporting in the EU. We have urged European businesses to champion the cause of sustainability and they are heavily invested in the task. It is now our responsibility to make the data sharing and reporting landscape as cost-efficient as possible.

The new disclosure requirements will result in a surge of data exchanges between companies. These exchanges of business data – financial and sustainability related – tend to be unstructured and use different, non-interoperable formats, leading to unnecessary administrative costs and distortions of the digital single market.

Now is the time to act. While efforts to map reporting requirements, and to remove redundant, duplicating, and obsolete obligations are all vital and necessary steps, more must be done to achieve the objective of reducing burdens related to reporting obligations by 25 per cent. We must approach this issue using standardised, digital data that in turn will allow automated exchanges of business data.

As an example of the burden reduction potential of digitisation: the Danish Bookkeeping act accelerates the use of digital bookkeeping systems. The act is estimated to deliver 400 million EUR in annual savings from automating business processes. If extrapolated to the EU level, it would result in annual savings of approximately 20 billion EUR for European businesses.

To achieve these goals, Denmark proposes that:

- The next EU Commission should propose an ambitious horizontal action plan for reducing administrative burdens, including mapping reporting requirements to make a baseline, creating annual burden reduction targets, and make digitisation, standardisation, and automation a core driver of the strategy.
- On a technical level, we must agree on a target state digital architecture to support the seamless exchange of ESG-related data. This will significantly reduce administrative burdens and unleash the growth and innovation potential of a data driven economy.

We must accelerate the twin transition and reduce burdens for European businesses, especially SMEs. We need to regain Europe's competitive edge. Reaping the benefits of digitisation is key. Let's dare to build the reporting and data sharing landscape of the future.