

CCIA Europe Consultation Response On 'The Single Market Strategy for 2025'

EU Single Market: From Aspiration to Reality

January 2025

After two Single Market strategies, a digital single market strategy and the more recent 2030 Digital Decade framework, the Computer & Communications Industry Association (CCIA Europe) strongly believes that it is time to make Europe's Single Market aspirations a reality. We offer three ways to do that.

I. Better Implementation and Enforcement

A more predictable regulatory environment is crucial for businesses because current overlapping and unclear rules create unnecessary compliance burdens, hampering innovation and growth in the EU single market.

Recommendations:

1. Simplify and eliminate redundancies for smarter compliance
2. Clarify compliance expectations to boost business confidence
3. Prevent conflicting legal requirements

II. Better Lawmaking

Before introducing new rules, the European Commission should assess if existing legislation already addresses the issue. Ensuring coherence empowers businesses and consumers, fostering resilience and trust in EU governance.

Recommendations:

4. Enhance the role of the Regulatory Scrutiny Board (RSB)
5. Prioritise evidence-based policymaking and impact assessments
6. Improve implementation and enforcement mechanisms

III. Balancing Regulation and Economic Growth

Overly restrictive EU regulations can undermine the Single Market's growth mission. While protecting against harm is crucial, rules must prioritise innovation, productivity and investment.

Recommendations:

7. Foster innovation and productivity with pro-technology adoption policy choices
8. Create an attractive investment climate
9. Ensure regulation promotes rather than penalises growth

Introduction

The European Union's Single Market remains a cornerstone of economic integration and growth, yet its full potential has yet to be realised. Despite successive strategies—including the Digital Single Market Strategy and the 2030 Digital Decade framework—persistent regulatory fragmentation and overlapping compliance obligations continue to hinder businesses and innovation. The Computer & Communications Industry Association (CCIA Europe) believes it is time to transition from aspirations to concrete actions. We see three essential pillars for unlocking the Single Market's potential:

- Better Implementation and Enforcement: Streamlining existing rules and eliminating redundancies to foster a more predictable regulatory environment;
- Better Lawmaking: Promoting evidence-based, coherent, and harmonised legislation to strengthen trust and resilience;
- Balancing Regulation and Economic Growth: Ensuring that EU regulations empower businesses, drive investment, and foster innovation.

With these recommendations, CCIA Europe aims to support a Single Market that works not just in theory, but in practice, delivering meaningful benefits for businesses, consumers, and the broader European economy.

I. Better Implementation and Enforcement

In order to deliver innovation, companies in the digital sector and beyond need an investment climate with predictable and harmonised rules. The challenge ahead is substantial, with dozens of new laws adopted over the last mandate needing to be aligned and effectively integrated to ensure coherence and predictability.

1. Simplify and eliminate redundancies for smarter compliance

The EU single market is hindered by redundant and overlapping rules, creating significant hurdles for businesses while providing little to no societal or other public policy benefits. By simplifying and harmonising regulations, we can enable businesses to focus on growth and innovation rather than navigating red tape.

For example, seven cybersecurity legislations each demand incident reporting with different requirements, different reporting thresholds, timeline, languages, and authorities.¹ Processes must be in place to accommodate all those various requirements, leading to multiple reporting which divert resources away from investigating and containing an incident at the most time-sensitive moment. For any company subject to reporting requirements, the European Commission may consider streamlining incident reporting requirements, for example by introducing a single reporting process (timeline, format, procedure) to a single regulator (e.g. that of their main establishment) which may in turn disseminate incident-related information to relevant authorities in the EU.

¹ AI Act (incl. AI Code of Practice), CRA, DORA, EECC, GDPR, NIS2, PSD2

Similarly, the DSA's transparency reports and database requirements overlap in documenting content moderation actions and algorithmic transparency, often using the same underlying data (e.g. flagged and moderated content, algorithmic decisions). This unnecessary operational burden risks creating inconsistencies between reports and database records, potentially complicating compliance. The European Commission could consider reducing digital-specific reporting such as the DSA transparency reports which duplicates the database.

Where appropriate, the European Commission should also encourage enforcement of digitalisation efforts as a helpful way to ensure smooth and faster compliance. For example, we hope that the ongoing deployment of the technical specifications for the EU Safety Gate/RAPEX interface will establish standardised protocols enabling online marketplaces to efficiently process alerts from market surveillance authorities and remove harmful products. This integration will be crucial for effectively implementing the GPSR's product safety requirements.

Finally, the EU, through regulations like the PPWR, Battery Regulation, WEEE, and the Empowering Consumers Directive, mandates extensive consumer information on products. This often results in fragmented and contradictory labeling across Member States, hindering the internal market. Instead of proliferating physical labels, the EU should prioritise digital labeling (e.g., QR codes). This would enable localised, actionable information for consumers, reduce environmental impact by eliminating paper waste and transport weight, and enhance accessibility while complying with the objectives of these legislations.

2. Clarify compliance expectations to boost business confidence

Businesses operating or looking to expand their operations in the EU Single Market face significant challenges due to unclear and constantly evolving regulations. The absence of actionable guidance and timely implementation details makes compliance feel like chasing a moving target.

This is particularly evident for Very Large Online Platforms and other platforms subject to the Digital Services Act (DSA). Many, many pieces of the Digital Services Act (DSA) puzzle are still missing, from guidelines on dark patterns and trusted flaggers to methodology to count users, and so much more.² This is leading to inconsistencies and uncertainty in the implementation of the Act. The European Commission should focus on making the puzzle complete by ensuring all regulators are empowered and operational, providing all the guidelines foreseen by the DSA and continuing to engage with the industry so companies are equipped for successful compliance.

Similarly, the Digital Markets Act (DMA) faces significant legal uncertainty arising from the complex interplay of its provisions with other pieces of legislation, including the Digital Services Act (DSA), General Data Protection Regulation (GDPR), competition law, and telecom rules. Concerns also exist regarding the DMA's potential impact on fundamental

² Missing guidelines and secondary legislation for which the process is yet to start, as far as we're aware: (i) guidelines on trusted flaggers, (ii) delegated act on the methodology to count users, (iii) guidelines on Dark Patterns / Online interface design and organisation, (iv) guidelines on specific risks related to risk mitigation (besides election integrity), (v) guidelines on ad repositories, (vi) code of conduct for online advertising, (vii) code of conduct on accessibility.

rights, such as intellectual property rights, and the proportionality of its obligations. This inherent complexity has been further compounded by the lack of decisive and timely guidance from the European Commission regarding procedural aspects of the DMA implementation, such as the extent to which gatekeepers can test their commitments during the pre-investigation phase.

Moreover, reports from several national capitals highlight a troubling reality: national regulators, tasked with or expected to take on new powers under digital legislation, are often understaffed, underfunded, and lacking the technical and sometimes legal expertise necessary to enforce existing rules, let alone advise companies on compliance.

To foster a stable and predictable regulatory environment, the EU must provide clear, consistent, and timely interpretations of its rules. Additionally, the EU should engage more effectively with businesses striving to grow across all 27 Member States, offering a predictable and harmonised regulatory landscape. By enhancing transparency and clarity, the EU can empower businesses to invest confidently, innovate boldly, and comply effectively—strengthening the Single Market for all stakeholders.

3. Prevent conflicting legal requirements

Simplifying existing rules and improving their implementation is the ideal approach. Equally important, however, is addressing inconsistencies and preventing conflicting legal requirements. This challenge is particularly pressing during the rollout of the many recently enacted laws, but it is also just as critical for pending proposals.

CCIA Europe is most concerned about regulatory inconsistencies where complying with one law could require breaking another; if left unaddressed, such inconsistencies would effectively create new barriers within the single market.

For example, CCIA Europe observes obvious tensions between the Digital Services Act (DSA) and the European Media Freedom Act (EMFA) which introduce overlapping obligations for Very Large Online Platforms (VLOPs). Indeed, the EMFA requires VLOPs to treat self-declared media service providers (MSPs) differently in content moderation, allowing them to challenge moderation decisions within 24 hours—unless systemic risks under the DSA apply. This overlap creates ambiguity, making it difficult for VLOPs to distinguish moderation requirements under each framework and increasing the risk of contradictory interpretations.

Similarly, having to break GDPR data portability provisions in order to comply with gatekeeper prohibitions in the Data Act,³ or the Parliament text of the FiDA proposal⁴ seems counter-productive. To make matters worse, a gatekeeper company might understandably interpret the Data Act restriction as requiring it to decline user requests to export their data to services (including Core Platform Services) operated by another gatekeeper. In doing so,

³ For more details, see *CCIA Europe letter to EDPB on Data Act and GDPR*, June 2023, available at <https://ccianet.org/library/ccia-europe-letter-to-edpb-on-data-act-and-gdpr/>;

⁴ *Open Finance: EU Parliament Committee Limits Consumer Choice, Hurts Competition, and Stifles Innovation to Shield Incumbents*, CCIA Europe, 18 April 2024, available at <https://ccianet.org/news/2024/04/open-finance-eu-parliament-committee-limits-consumer-choice-hurts-competition-and-stifles-innovation-to-shield-incumbents/>; CCIA Europe Position Paper on FiDA, October 2023, available at <https://ccianet.org/library/ccia-europe-position-paper-on-fida/>;

the exporting gatekeeper would risk non-compliance with Article 6(9) of the DMA.⁵ Putting aside the risk of undue liability for companies, consumers should have the freedom to choose to move their data where they see fit.

The Data Act also introduces obligations for companies to provide data to public sector bodies under certain circumstances. But the definition of "exceptional need" is highly subjective, potentially creating an endless cycle of reporting and data sharing. This needs to be clarified to avoid imposing undue burdens on companies and to avoid potential conflicts with other rules, as it could be interpreted differently by different member states and across sectors.

Legislation on product information for consumers could benefit from greater coordination and modernisation efforts. The EU, through regulations like the PPWR, Battery Regulation, WEEE, and the Empowering Consumers Directive, mandates extensive consumer information on products. This often results in fragmented and contradictory labeling across Member States, hindering the internal market. Instead of proliferating physical labels, the EU should prioritise digital labeling (e.g., QR codes). This would enable localised, actionable information for consumers, reduce environmental impact by eliminating paper waste and transport weight, and enhance accessibility while complying with the objectives of these legislations.

Last but not least, legislative changes to the Payment Services Regulation (PSR) by the European Parliament⁶ extending telecoms' and online platforms' liability to all kinds of fraud directly conflicts with established principles in the DSA. Platforms' and telcos' actions against fraud are also limited by the GDPR and ePrivacy Directive, which limits information sharing with banks, for example.

II. Better Lawmaking

Before introducing new rules, CCIA Europe believes it is important to assess whether existing legislation already addresses an issue. By ensuring legislative coherence, we can empower both businesses and consumers, fostering economic resilience and trust in EU governance. CCIA Europe suggests three structural and governance changes to improve the EU's law-making process.⁷

1. Enhance the role of the Regulatory Scrutiny Board (RSB)

The Regulatory Scrutiny Board (RSB) should be given the power to veto unnecessary or incoherent rules at all stages of the legislative process. Currently, while some limited ex-ante control exists, there is a lack of regulatory scrutiny, particularly regarding amendments made by the EU co-legislators. The RSB needs to be involved from the initial

⁵ For more details, see *CCIA Europe letter to EU Commission on Data Act and DMA*, June 2023, available at <https://ccianet.org/news/2023/06/data-acts-undue-data-portability-restrictions-ccia-requests-eu-privacy-and-competition-enforcers-to-step-in/>

⁶ *Is the EU taking the right approach to APP fraud?* By Zach Meyers, November 2024, available at https://www.academia.edu/125484010/Is_the_EU_taking_the_right_approach_to_APP_fraud/; and *Shared Liability: The European Parliament's Misstep in Fighting Financial Fraud*, ECIPE, November 2024, available at <https://ecipe.org/publications/ep-misstep-in-fighting-financial-fraud/>

⁷ For more suggestions, please consult CCIA Europe's *Guide to EU Tech Regulation* available at <https://ccianet.org/library/guide-to-effective-eu-tech-regulation/>

draft to the very last amendment. This would ensure that new laws are well-considered and avoid contradictions within the EU's existing regulatory framework.

Strengthening the RSB's role would be a "true game changer," markedly improving the quality of EU legislation. This additional scrutiny will ensure that policy is based on solid evidence, addresses actual problems, and respects technology neutrality. By enhancing the RSB's role, the EU can move away from a pattern of rushing to regulate and towards a more thoughtful and effective approach to law-making.

To achieve this, it's imperative to move away from the current practice where the rush to be first in regulating seems to supersede real-world impacts. The RSB needs to be empowered to act as a check on this tendency, ensuring that new legislation is only considered when there are significant, well-evidenced shortcomings that cannot be addressed by better implementation or enforcement of existing rules.

The board should also look at whether non-legislative means and agreements could be used instead of new laws. Such improvements to the functioning of the RSB will prevent the creation of a "patchwork of contradictions" in the EU framework.

2. Prioritise evidence-based policymaking and impact assessments

The EU should commit to evidence-based policymaking, focusing on solving real problems experienced by European companies and citizens. Many recent rules have been criticised for lacking a robust empirical basis or for failing to consider the cumulative impact on innovation and competitiveness. Before considering any new legislation, it is therefore essential to evaluate relevant existing laws and their impact. New laws should only be considered if significant, well-evidenced shortcomings cannot be addressed through better implementation of existing rules. For example, CCIA Europe cautions against new rules on online deceptive design under a 'Digital Fairness Act', which has already been addressed in consumer law, as well as EU rules on data protection and intermediary liability.⁸ Similar concerns emerge regarding the upcoming regulations on third-party access to in-vehicle data, which would largely derive from the EU Data Act—a legislation whose long road to implementation has only just begun.

As a matter of principle, the EU should first implement and observe the effect(s) of existing rules before proposing new ones. Second, proposals should be assessed for their impact on innovation, and the economic impact of new tech regulations on companies, consumers, and the economy at large must be properly assessed. This assessment should not only quantify direct compliance costs but also the impact on downstream effects of regulations on related sectors, and consider the unique challenges faced by start-ups and scale-ups, as well as tangible effects on consumer choice.

Policies should be abandoned—or at the very least, thoroughly revisited—when an overwhelming majority of stakeholders across sectors voice significant concerns. Such widespread opposition has been evident in response to the potential introduction of

⁸ CCIA Europe press release, *Consumer Protection: Evaluation of Current EU Rules Doesn't Justify More Red Tape*, October 2024, available at <https://ccianet.eu/news/2024/10/consumer-protection-evaluation-of-current-eu-rules-doesnt-justify-more-red-tape/>

network fees through an arbitration mechanism proposed in the European Commission's recent connectivity white paper.⁹

The policy-making process should also become more transparent. This includes greater transparency around amendments made by the European Parliament and EU Council. These amendments, often made during trilogue negotiations, need to be subjected to the same scrutiny as the original proposals, including impact assessments. Any new concepts should always be subject to an impact assessment. This should prevent fundamental changes from being made at the last minute without sufficient scrutiny or impact assessments. This will improve the quality of legislation and allow for more effective and targeted policies. Furthermore, public consultations should be improved and there should be a greater effort to listen to experts rather than those with a self-serving agenda.

Additional transparency is also needed for delegated and implementing acts, as an increasing share of substantive provisions in EU legislation is determined after the legislative phase. Notably, the Regulatory Scrutiny Board (RSB) has no oversight in this area, raising concerns about accountability and scrutiny.

3. Improve implementation and enforcement mechanisms

The EU needs to ensure that rules are designed for proper implementation. This includes ensuring sufficient staff capacity for implementation and enforcement, and publishing a clear timeline for each piece of legislation, setting out all necessary steps, guidelines and tools to achieve compliance. The European Commission needs more resources and people to provide clear and timely guidance on the implementation of new EU rules. A lack of clear and timely guidance is a major issue that prevents companies from being able to comply effectively.

Moreover, implementation should be as streamlined and harmonised as possible across member states, and national enforcement should be the exception rather than the rule. To make implementation more effective for new proposals, the EU should centralise the enforcement of cross-border matters at the EU level as the default model. The current system, with uneven implementation across the EU, creates new barriers within the single market. Furthermore, the timing of implementation, enforcement, and evaluation should be realistic and reflect the actual time businesses need to redesign products and processes. For example, rules that impact hardware require sufficient lead time, reflecting actual development and production cycles.

Finally, the European Commission must more effectively exercise its enforcement powers to address conflicting national regulations. The significant decline in infringement proceedings during the last mandate,¹⁰ coinciding with an increase in Member States'

⁹ *Unlocking the Future of Connectivity: An In-Depth Analysis of the Public Consultation on the White Paper*, Political Intelligence, available at: <https://political-intelligence.com/news/unlocking-the-future-of-connectivity-an-in-depth-analysis-of-the-public-consultation-on-the-white-paper/>; *Consultation on EU's Future Connectivity Networks: (Again) No Support for Regulatory Intervention*, Project Disco, September 2024 available at <https://project-disco.org/european-union/consultation-on-eus-future-connectivity/>; and *Network Usage Fees: The European Commission Plays Politics with the Global Internet*, Internet Society, October 2023, available at <https://www.internetsociety.org/blog/2023/10/network-usage-fees-the-european-commission-plays-politics-with-the-global-internet/>

¹⁰ New infringement proceedings fell from 904 new cases in 2020 to 529 in 2023 according to European Commission 2023 Annual Report on monitoring the application of EU law, July 2024, available at

gold-plating of EU rules,¹¹ should serve as a cautionary tale. Unless this trend is reversed, EU legislation is increasingly being used as a pretext for additional national measures, undermining the goal of uniformity across the ‘single’ market.

III. Balancing Regulation and Economic Growth

The EU must recalibrate its regulatory approach to align with the Single Market's fundamental purpose of driving economic growth. While protecting against harmful practices is essential, an increasingly complex web of regulations risks undermining Europe's competitiveness and innovation potential.

1. Foster innovation and productivity with pro-technology adoption policy choices

Europe has set ambitious goals for technology adoption, aiming to have 75% of EU companies using AI by 2030. However, reaching this target requires increasing the current adoption rate fivefold, from 1 million to 5 million companies annually. This is a significant task which demands policies that enable, rather than hinder, access to essential technologies.

Concretely, proposals such as network fees for digital platforms could raise costs for AI-reliant services like cloud computing. Such policies disproportionately affect SMEs, limiting their ability to adopt transformative technologies. The EU must avoid measures that increase the cost of foundational AI infrastructure. Similarly, overly restrictive technical standards such as previous iterations of the European Cybersecurity Certification Scheme for Cloud Services (EUCS) would severely risk limiting choices and take-up of cloud-powered technologies.¹²

In addition, AI regulations must be practical and aligned, starting with the upcoming Code of Practice, which should remain consistent with the AI Act. The European Commission should ensure that the Code does not reintroduce measures explicitly rejected during the AI Act negotiations and adheres to the Act's agreed scope, avoiding overly broad provisions, such as far-reaching copyright measures.¹³

https://commission.europa.eu/publications/2023-annual-report-monitoring-application-eu-law_en; also see: *Policing of EU market rules drops under von der Leyen's commission*, Financial Times, May 2023, available at <https://www.ft.com/content/b81c0d86-4837-42a5-bf01-d4768791f2cf>

¹¹ EU too slow to tackle single market abuse, say industry bodies, Financial Times, January 2025, available at <https://www.ft.com/content/c3e32aec-ab1e-4654-9ca2-8d31cba023ff>

¹² Joint European Industry Statement on the European Cybersecurity Certification Scheme for Cloud Services (EUCS), 17 June 2024, available at https://www.spcr.cz/images/SPCR_Joint_Statement_EUCS_20240617.pdf; *EU Policy Makers must ensure that Cybersecurity Certification Schemes safeguard trust, resilience, free trade, and harmonisation of accessible, fair, and workable rules in the Internal Market*, B9+ joint statement, 20 June 2023, available at <https://cdn.ibec.ie/-/media/documents/influencing-for-business/digital-policy/business-9-joint-statement-on-the-eucs.pdf?rev=55c3da53ab20494ebcaa2d0d9e965fc9>; Joint Statement on EUCS, co-signed by the Association for Financial Markets in Europe, European Banking Federation, European Payments Institution Federation, European Savings Banks Group, and Insurance Europe, November 2023, available at <https://www.ebf.eu/wp-content/uploads/2023/11/Joint-Statement-on-EUCS.pdf>

¹³ EU's GPAI Code: Rushed Process About To Derail, Intervention Urgently Needed, CCIA Europe press release, 19 December 2024, available at <https://ccianet.org/news/2024/12/eus-gpai-code-rushed-process-about-to-derail-intervention-urgently-nee>

Lastly, scaling AI adoption requires modernised electricity grids and investment in clean energy. Projections show €800 billion will be needed for new energy sources and grid modernisation over the next decade.¹⁴ Joint public-private initiatives can ensure sustainability while driving digital innovation.

2. Create an attractive investment climate

Foreign investment remains crucial for Europe's competitiveness and innovation capacity, especially at a time when investment volumes are still significantly below pre-pandemic levels. As discussed, the EU should address regulatory complexities and provide a more predictable and welcoming environment for investors, in order to strengthen its position as a destination for global capital.

But more specifically, CCIA Europe invites the European Commission to send more positive signals to foreign investors in its proposed Foreign Investment Screening Regulation. While the EU aims to protect its strategic interests, the proposed regulation would capture virtually every investment transaction in the entire technology ecosystem, its current broad scope risks capturing nearly all transactions within the technology ecosystem.

This could overwhelm screening authorities, leading to significant delays due to the likely bottlenecks that would disproportionately impact start-ups and SMEs. Such delays not only deter foreign investors but also stifle the growth potential of promising European companies, particularly those striving to scale their products in competitive global markets. We would also strongly caution against effectively forcing SMEs and companies to choose between participating in EU funding programmes (such as Horizon Europe) and foreign private investments.

Investors also need timely and consistent decisions. Harmonised timelines and accessible guidance from Member States are essential to reduce red tape and maintain investor confidence.

3. Ensure regulation promotes rather than penalises growth

Europe's competitive edge depends on regulation that encourages, rather than penalises, growth. Recent frameworks like the Digital Services Act and Digital Markets Act introduced asymmetrical obligations for specific market players. Extending these concepts to unrelated regulations (e.g. Data Act, FiDA, GDPR interpretation) risks fragmenting the Single Market and creating barriers for European businesses.

Regulation must ensure fair competition without discriminating based on company size or origin. Asymmetrical obligations should remain confined to their original frameworks to prevent inconsistencies across sectors.

[ded/](#); Joint industry statement, 17 January 2025 available at:
<https://www.bsa.org/files/policy-filings/01172025jointindeuai.pdf>

¹⁴ AI is poised to drive 160% increase in data center power demand, Goldman Sachs, 14 May 2024, available at <https://www.goldmansachs.com/insights/articles/AI-poised-to-drive-160-increase-in-power-demand>; and Powering Up Europe: AI Datacenters and Electrification to Drive +c.40%-50% Growth in Electricity Consumption, Goldman Sachs, 29 April 2024, available at <https://www.goldmansachs.com/insights/goldman-sachs-research/electrify-now-powering-up-europe>

Before introducing new rules, policymakers should assess whether existing legislation addresses identified challenges. This approach will help reduce unnecessary regulatory burdens and foster a more predictable environment for businesses.

By prioritising smart regulation, investment-friendly policies, and innovation-enabling frameworks, the EU can strike a balance between oversight and growth. This strategy will secure Europe's place as a leader in global innovation while upholding its values of fairness and sustainability.

Conclusion

The European Union's Single Market is a remarkable achievement with the potential to drive unparalleled economic growth, innovation, and societal benefits. However, realising its full promise requires a clear commitment to practical, balanced, and forward-looking regulatory approaches.

By focusing on streamlined regulatory implementation and enforcement of existing laws, better lawmaking for pending and new proposals, and policies that balance regulation with economic growth to foster innovation and attract investment, the EU can strengthen the Single Market as a driver of global competitiveness.

CCIA Europe stands ready to work with policymakers and stakeholders to make this vision a reality. Together, we can build a Single Market that not only reflects Europe's ambitions but also secures its position as a global leader in innovation and growth.

About CCIA Europe

The Computer & Communications Industry Association (CCIA) is an international, not-for-profit association representing a broad cross section of computer, communications, and internet industry firms.

As an advocate for a thriving European digital economy, CCIA Europe has been actively contributing to EU policy making since 2009. CCIA's Brussels-based team seeks to improve understanding of our industry and share the tech sector's collective expertise, with a view to fostering balanced and well-informed policy making in Europe.

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