

Key Recommendations to the Cypriot EU Council Presidency

Advancing Europe's digital path with Cyprus

Cyprus holds the Presidency of the Council of the European Union from 1 January to 30 June 2026 – leading negotiations on crucial EU tech and digital files in the context of wider simplification. The Computer & Communications Industry Association (CCIA Europe) respectfully offers these nine key recommendations and looks forward to supporting the Cypriot EU Presidency.

I. Prioritising regulatory simplification and legal certainty

The Cypriot EU Presidency should prioritise reducing administrative burdens, ensuring regulatory coherence, and simplifying complex rules to enhance Europe's competitiveness and improve legal certainty.

Recommendations:

1. Postpone AI Act enforcement and avoid duplication in new frameworks
2. Harmonise enforcement and reject premature consumer law revisions
3. Streamline green policies and simplify rules to advance competitiveness

II. Guaranteeing stability and openness in the Single Market

The Council Presidency must ensure that EU digital legislation remains technically robust and principle-based – rejecting non-technical or exclusionary market restrictions – while upholding fundamental rights and the core principles of EU law.

Recommendations:

4. Uphold a consistent, technical, and open approach to cybersecurity
5. Reject blanket, unjustified market-access restrictions in financial data access rules
6. Protect fundamental rights in data retention and CSAM rules

III. Fostering a safe and competitive online environment

Cyprus must ensure that legislative discussions are grounded in evidence and market realities during its Presidency, while promoting a unified approach to online safety that leverages and consistently enforces existing EU frameworks.

Recommendations:

7. Strive for a harmonised and coherent approach to minor protection
8. Ensure regulation of digital markets and networks is evidence-based
9. Promote fraud prevention and collaborative solutions in payment rules

Introduction

The main objective of the Cypriot EU Council Presidency should be to ensure that forthcoming efforts to simplify EU digital and tech rules, and boost Europe's global digital competitiveness, also truly materialise. Beyond strategies, debates and speeches, European innovators deserve concrete actions and results.

In his recent speech marking the one-year anniversary of his landmark report on the future of European competitiveness, Mario Draghi made a grim but pragmatic assessment: "One year on, Europe is therefore in a harder place. Our growth model is fading. Vulnerabilities are mounting. And there is no clear path to finance the investments we need."¹

Cyprus has the opportunity to seize this moment to act and drive an ambitious agenda in the Council of the European Union, and CCIA Europe stands ready to support the Presidency in this endeavour.

To achieve a coherent and sustainable EU framework, all digital and tech regulations – past, ongoing, and future proposals – must be rigorously grounded in the realities of the markets they are intended to regulate.

In its comprehensive position paper entitled 'Unlocking innovation through simpler EU tech rules',² CCIA Europe recommends key fixes and urges the EU co-legislators to undertake four key actions: (1) committing to genuine evidence-based policy making and comprehensive and robust impact assessments; (2) conducting additional impact assessments for substantial changes made to a proposal, even if introduced late in trilogues; (3) removing outdated or overlapping rules, and ensuring that regulation is only introduced when strictly necessary, not for regulation's sake; (4) ensuring transparency, consistency, and alignment with other EU rules and global standards.

Conversely, recent EU laws regulating digital services and devices have often fallen prey to systemic traps that must be avoided at all costs. These traps include the reliance on rigid 'one-size-fits-all' approaches to vastly different services and devices, the imposition of asymmetric rules, and the setting of unrealistic implementation timelines. Another fundamental flaw in many proposals lies in their redundancy, lack of transparency, and at times a lack of evidence for any problems that need solving. All these traps can and must be avoided in future policymaking.

With these principles in mind, Cyprus has the unique opportunity to lead by example and set a novel, pragmatic approach to EU digital and tech regulation. CCIA Europe offers the following recommendations for a successful and impactful Cypriot EU Council Presidency:

- I. Prioritising regulatory simplification and legal certainty
- II. Guaranteeing stability and openness in the Single Market
- III. Fostering a safe and competitive online environment

¹ Mario Draghi, 'High Level Conference – One year after the Draghi report: what has been achieved, what has changed', 16 September 2025, accessible at:

https://commission.europa.eu/document/download/0951a4ff-cd1a-4ea3-bc1d-f603decc1ed9_en.

² CCIA Europe, 'Unlocking innovation through simpler EU tech rules', 28 October 2025, available at: <https://ccianet.org/hub/europe/ccia-europe-position-paper-digital-simplification-efforts/>.

I. Prioritising regulatory simplification and legal certainty

The Cypriot EU Presidency should prioritise reducing administrative burdens, ensuring regulatory coherence, and simplifying complex rules to enhance Europe's competitiveness and improve legal certainty.

1. Postpone AI Act enforcement and avoid duplications in new frameworks

Significant delays in the delivery of critical technical specifications ahead of the entry into application of key AI Act provisions in August 2026 are already creating high legal uncertainty and impose compliance windows on businesses that are simply too tight. To address this, the Presidency should advocate for robust simplification efforts, including the introduction of a 'stop-the-clock' mechanism that delays the AI Act's application by at least 12 months after relevant guidance, codes of practice, and technical standards have become available.³ Moreover, alignment between the AI Act and other legislation, including the General Data Protection Regulation (GDPR) and Platform Work Directive (PWD), is necessary to avoid duplicative and conflicting requirements.

Upcoming pieces of legislation, such as the Cloud and AI Development Act (CAIDA), should be forward-looking, evidence-based initiatives focused on accelerating Europe's digital transformation through open, competitive, and sustainable cloud and AI ecosystems.⁴ The Presidency must ensure CAIDA avoids duplication and builds on existing frameworks (such as the Data Act, the Energy Efficiency Directive, GDPR, NIS2, DORA, and the Cybersecurity Act), rather than adding new or overlapping obligations. New requirements should only be introduced when clear evidence demonstrates a regulatory gap and if they would directly contribute to strengthening Europe's competitiveness.

2. Harmonise enforcement and reject premature consumer law revisions

The Cypriot Presidency must champion regulatory coherence by prioritising consistent and effective implementation of the existing safety net for consumers, which already includes the Digital Services Act (DSA), Digital Markets Act (DMA), GDPR, Unfair Commercial Practices Directive (UCPD), and AI Act. Introducing new consumer protection measures, such as a Digital Fairness Act (DFA), would be premature and lead to legal uncertainty and fragmentation, as many of the identified challenges are already covered by recent EU laws.⁵

Furthermore, in the audiovisual sector, the Presidency should advocate for regulatory stability. The current Audiovisual Media Services Directive (AVMSD) is considered robust, and the focus should be on improving its implementation, particularly the country-of-origin

³ CCIA Europe, 'Simplifying the EU Digital Rulebook for Innovation', 14 October 2025, available at: <https://ccianet.org/library/ccia-europe-response-digital-package-consultation/>.

⁴ CCIA Europe, 'Response to European Commission Consultation on the Cloud and AI Development Act', 3 July 2025, available at: <https://ccianet.org/library/ccia-europe-response-to-european-commission-consultation-cloud-and-ai-development-act/>.

⁵ CCIA Europe, 'Response to European Commission's Public Consultation on the Digital Fairness Act', 24 October 2025, available at: https://ccianet.org/library/ccia-europe-response-to-public-consultation-on-the-digital-fairness-act_L

principle and coherence with the DSA, rather than a premature revision that would increase compliance burdens, disrupt cross-border distribution, and go directly against the simplification agenda.⁶

3. Streamline green policies and simplify rules to advance competitiveness

To ensure Europe's green transition aligns with stronger competitiveness, the Presidency should push for tangible simplification of environmental legislation. This includes overhauling Extended Producer Responsibility (EPR) rules by establishing a single digital one-stop shop for registration across the Single Market and harmonising reporting timelines through a single, uniform annual declaration period. To give businesses the necessary time to adapt, the Presidency should also advocate for the postponement of upcoming EPR obligations by 12 to 24 months⁷.

The Presidency should ensure that current battery removability and replaceability rules do not backfire – granting companies more time to complete R&D processes and ensuring that battery swaps are carried out exclusively by qualified professionals. Cyprus also has a unique opportunity to champion a digital-first approach to product information, improving consumer transparency and lowering costs.

II. Guaranteeing stability and openness in the Single Market

The Council Presidency must ensure that EU digital legislation remains technically robust and principle-based – rejecting non-technical or exclusionary market restrictions – while upholding fundamental rights and the core principles of EU law.

4. Uphold a consistent, technical, and open approach to cybersecurity

The upcoming revision of the Cybersecurity Act (CSA) must remain a technical, risk-based exercise focused on strengthening security and preserving market openness.⁸ The Cypriot Presidency should advocate for a transparent and inclusive certification process that is based on meaningful technical and organisational security controls.

Whether in the CSA or in CAIDA, we urge the Presidency to firmly reject non-technical, exclusionary, or sovereignty-based restrictions (such as ownership or localisation criteria), as these would limit access to innovative technologies, raise costs for Europeans, and ultimately reduce the EU's overall cyber resilience.

⁶ CCIA Europe, 'Recommendations for the upcoming Commission's evaluation of the AVMSD', 16 May 2024, available at:

<https://ccianet.org/library/avmsd-recommendations-for-the-upcoming-commissions-evaluation/>

⁷ CCIA Europe, 'Response to the European Commission's Call for Evidence on the Simplification of Administrative Burdens in Environmental Legislation,' 11 September 2025, available at:

<https://ccianet.org/library/ccia-europes-response-to-the-european-commissions-call-for-evidence-on-the-simplification-of-administrative-burdens-in-environmental-legislation/>.

⁸ CCIA Europe, 'Response to the EU Commission Call for evidence on the Cybersecurity Act', 23 June 2025, available at:

<https://ccianet.org/library/ccia-europes-response-to-the-call-for-evidence-by-the-eu-commission-on-the-cybersecurity-act/>.

5. Reject blanket, unjustified market-access restrictions in financial data access rules

Any unwarranted or unjustified discrimination against specific actors risks undermining the core objectives of the Financial Data Access (FiDA) Regulation. Crucially, the proposed partial or full exclusion of companies designated as ‘gatekeepers’ under the Digital Markets Act (DMA) fundamentally contravenes established EU legal principles, including the freedom to conduct business and non-discrimination.⁹ Such an exclusion would also run against the EU’s international trade commitments. CCIA Europe, therefore, urges the Cypriot Presidency to reject any such exclusion, which would only reinforce the market dominance of incumbent financial institutions and unduly restrict consumer choice.

6. Protect fundamental rights in data retention and CSAM rules

The Presidency must ensure a balanced and proportionate approach to data retention rules. This means ensuring that retention obligations are clearly defined, evidence-based, and proportionate – applying only to specific data categories relevant to the investigation of serious crimes, in line with rulings by the Court of Justice of the European Union and EU privacy law. Cyprus should help ensure that any future proposal upholds strong safeguards for fundamental rights, cybersecurity, and the protection of encryption.

Furthermore, in the ongoing negotiations on the Child Sexual Abuse Material (CSAM) Regulation, it is crucial to strike the right balance between mandating technology-enabled detection and safeguarding Europeans’ fundamental rights. Indeed, it must be ensured that detection obligations remain proportionate and do not entail any form of de jure or de facto prohibition, or weakening, of encryption. The Presidency will also play a key role in securing the effective extension of the temporary derogation from the ePrivacy Directive that is due to expire in April 2026, which guarantees that providers of interpersonal communication services can continue to proactively detect, report and, remove CSAM.

III. Fostering a safe and competitive online environment

Cyprus must ensure that legislative discussions are grounded in evidence and market realities during its Presidency, while promoting a unified approach to online safety that leverages and consistently enforces existing EU frameworks.

7. Strive for a harmonised and coherent approach to minor protection

The Presidency should champion a unified, risk-based approach to ensuring minors have safe, private, and secure online interactions across the Single Market.¹⁰ Any protective measure under consideration should be proportionate and avoid restrictions on content or

⁹ CCIA Europe, ‘Commission services non-paper on simplification of the Regulation on Financial Information Data Access (FiDA) limits consumer choice, hurts competition, and stifles innovation’, 23 May 2025, available at: <https://ccianet.org/wp-content/uploads/2025/05/CCIA-Europe-Letter-Commission-services-non-paper-on-simplification-of-the-Regulation-on-Financial-Information-Data-Access-FiDA-limits-consumer-choice-hurts-competition-and-stifles-innovation.pdf>.

¹⁰ CCIA Europe, ‘Recommendations on age-appropriate design’, 9 October 2024, available at: <https://ccianet.org/wp-content/uploads/2024/10/CCIA-Europe-Recommendations-on-age-appropriate-design.pdf>.

services based on age, since this would significantly limit valuable experiences and raise serious concerns about freedom of expression and information.

It is crucial that the comprehensive frameworks set out in the DSA and the AVMSD retain primacy over potentially diverging initiatives at the national level regarding age assurance and access to certain online services.

Cyprus should also promote a uniform implementation of the European digital identity framework (eIDAS Regulation) to ensure that digital wallets are interoperable and function seamlessly across the EU, be it for age-verification purposes or access to e-government services.¹¹

8. Ensure regulation of digital markets and networks is evidence-based

The upcoming review of the Digital Markets Act (DMA) must be informed by evidence.¹² The Presidency should lead discussions to ensure that the regulation's negative unintended consequences¹³ – such as revenue losses, consumer frustrations¹⁴, delays for product launches, and negative impact on innovation – are mitigated. Today's overly complex and unclear DMA compliance procedures need to be urgently improved to support companies' compliance processes.¹⁵

For the forthcoming Digital Networks Act (DNA), CCIA Europe urges the Cypriot Presidency to approach the Commission's initial proposal with an evidence-based mindset that recognises the connectivity ecosystem as a collaborative, competitive, and well functioning ecosystem that does not warrant regulatory intervention. The introduction of an arbitration mechanism – or any mechanism with similar effect, including so-called 'informal' or 'voluntary' cooperation mechanisms – in the European IP interconnection market is unwarranted. As such a mechanism would de facto lead to network usage fees, it would break the EU-US joint declaration from July 2025, and hence should be firmly rejected. Likewise, the introduction of any such mechanism would upend Europe's strong net neutrality framework.

Moreover, CCIA Europe urges the Presidency to recognise that the telecommunications and cloud sectors are complementary but fundamentally distinct, and should therefore continue to be governed by separate regulatory frameworks, as has been successful to date.

¹¹ CCIA Europe, 'Recommendations on Age Assurance', 27 February 2025, available at: <https://ccianet.org/library/ccia-europe-recommendations-on-age-assurance/>.

¹² CCIA Europe, 'Position Paper on the Review of the Digital Markets Act (DMA)', 23 September 2025, available at: <https://ccianet.org/library/ccia-position-paper-on-dma-review/>.

¹³ Professor Carmelo Cennamo, Professor Tobias Kretschmer, Professor Ioanna Constantiou, Dr. Eliana Garcés, 'Economic Impact of the Digital Markets Act on European Businesses and the European Economy', June 2025, available at: <https://www.dmcforum.net/publications/economic-impact-of-the-digital-markets-act-on-european-businesses-and-the-european-economy/>.

¹⁴ Nextrade Group, 'Impact of the Digital Markets Act (DMA) on consumers across the European Union: Results from a survey with 5,000 consumers', September 2025, available at: https://www.nextradegroupllc.com/_files/ugd/478c1a_9d7c98475ce8404188d2f8dbb1c9d2ff.pdf.

¹⁵ King & Spalding, 'The Digital Markets Act - A procedural journey towards effective compliance', 18 September 2025, available at: https://www.kslaw.com/attachments/000/013/012/original/A_Procedural_Journey_Towards_Effective_Compliance.pdf.

Extending telecommunications-style legislation to cloud infrastructure and services – including content delivery networks – would be unjustified, creating regulatory and technical hurdles that would only impair Europe’s technological development and competitiveness.

9. Promote fraud prevention and collaborative solutions in payment rules

In final negotiations on the Payment Services Regulation (PSR), the Presidency should uphold the Council’s balanced position that maintains a focus on fraud prevention. The European Parliament’s proposal for automatic liability allocation for impersonation fraud is highly problematic and risks creating chaos that fraudsters will be keen to exploit.¹⁶ Instead, the PSR should leverage the already established mechanisms of the Digital Services Act (DSA) effectively.

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.

Visit ccianet.eu, x.com/CCIAeurope, or linkedin.com/showcase/cciaeurope to learn more.

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¹⁶ Zach Meyers, ‘Is the EU taking the right approach to APP fraud?’, 12 November 2024, available at: [https://www.academia.edu/125484010/Is the EU taking the right approach to APP fraud](https://www.academia.edu/125484010/Is_the_EU_taking_the_right_approach_to_APP_fraud);

ECIPE, ‘Shared Liability: The European Parliament’s Misstep in Fighting Financial Fraud’, 28 November 2024, available at: https://ecipe.org/wp-content/uploads/2024/11/ECI_24_PolicyBrief_21-2024_LY02.pdf;

Copenhagen Economics, ‘The Economic Implications of Introducing Shared Liability for Payment Fraud’, 4 December 2024, available at: https://copenhageneconomics.com/wp-content/uploads/2024/12/Copenhagen-Economics_Study-on-shared-liability-regime_20241203_clean-final.pdf