

Simplifying business in the single market

44. **Cross-border administration must be made easier for businesses** through digital technology opportunities such as the EUDI Wallet and the Single Digital Gateway. It is in Estonia's interest that the proposed digital wallet of the company is linked to the identity of the natural person through a power of attorney.

45. To ensure that **businesses do not need to submit the same data to the state or the EU repeatedly**, data ought to be cross-used. Legal bases for the cross-use of data need to be created in EU legislative acts. The introduction of new, justified reporting requirements in EU law must ensure the **standardisation, quality, and sharing of data between databases**.

46. We support making **sustainability reporting and corporate due diligence requirements** voluntary for all businesses.

47. We aim to reach **exchange of information on cross-border economic transactions** (e-invoices, e-waybills, e-receipts) in a standardised format in the **Baltic Sea Region and the Nordic countries** to reduce the administrative and reporting burden for businesses. This provides a basis for extending the use of data to the EU level.

48. **We support the digitisation of data accompanying a product (digital product passport)**. This helps to reduce the amount of paperwork that accompanies a product and allows for more effective enforcement of product information requirements. However, we deem it necessary to retain physical consumer information, such as warnings, traceability requirements, and safety and user manuals.

49. **The requirements of the digital product passport must be clear and enforceable for businesses**. In the product passport, businesses need to provide only information that is reasonably available to the business with reasonable effort.

50. Estonia considers it important that the reform of the EU standardisation system includes the development of a **clear financing model for European standardisation**, which balances the responsibilities of the European Commission and the Member States, and the reform does not increase the Member States' responsibility to finance the system. A well-resourced standardisation infrastructure enables faster development and adoption of standards in important areas for Estonia, such as artificial intelligence, digitalisation, and hydrogen technologies.

51. To foster the growth of start-ups in the EU, **access to capital for start-ups needs to be improved, and the application for EU support must be simplified**. The EU strategy for start-ups must **proceed from the start-up life cycle** and provide support based on the start-up's development phase. EU funds must be available for start-ups to support them in both the initial and growth phase to bring products or services to the market (including applying for a business licence and certifying a product or service).

52. **The definition of a company in difficulty needs to be changed** so that start-ups that have short-term financial problems or have not yet reached profitability are not deemed companies in difficulty. As

a rule, state aid to companies in difficulty is prohibited. The current definition of a company in difficulty prevents start-ups from benefiting from state aid, even though they have great potential to develop and succeed in the market.

53. Estonia considers it very important that the **legal framework for doing business** in the European Union's internal market is made easier for companies. The EU's new 28th regime for companies must allow them to expand and grow rapidly. Businesses need to be assured of the **digitalisation of necessary administration**.

54. We support the **implementation of automatic mutual recognition** of professional and higher education qualifications in the European Union to promote labour and learning mobility. The certification of professions already automatically recognised in the EU (**e.g. architect, doctor**) **should be simplified, and additional health professions (e.g. physiotherapist), civil and energy engineers should be added to the list of automatically recognised professions**.

55. In the European Union's single market, **location-based restrictions on audio-visual services** (e.g. film streaming, sports broadcasting) and other copyright-protected content services (e.g. e-books, music streaming) need to be reduced to allow broad access to copyright content in the single market, while safeguarding authors' rights.

56. **Increasing the chip production capacity** in the EU needs to support the whole value chain (standards, raw materials, subsidies, state aid) and ensure a level playing field between small and medium-sized industries. We believe it is important to ensure **equal treatment of chip imports between EU member states**.

57. **Introducing new chemicals to the market must be facilitated and accelerated** to ensure the competitiveness of the chemical industry while adhering to public health objectives, including the protection of workers. Implementing restrictions to mitigate the environmental and health risks of chemicals requires making lower-risk alternatives available or ensuring rapid development and registration of lower-risk alternatives.

58. To develop new, innovative technologies and business models, the concept of **Projects of Common Interest (PCI)** and Important Projects of Common European Interest (IPCEI) needs to be reviewed to ensure greater participation by small and medium-sized enterprises. One option we see for cohesion countries is to reduce the share of co-financing from the EU budget.

59. We support the rapid establishment of the **Bioeconomy Project of Common Interest** with Estonian participation. This will help strengthen the EU's position and competitiveness in the international market for bioresource-based materials, products, and chemicals, and reduce dependence on (imported) fossil raw materials.

60. When developing innovative technologies, EU support funds must offer companies **funding from the development to market cycle**.

61. The EU's **dependence on monopolistic suppliers of critical raw materials must be reduced**. This requires good cooperation between Member States within the EU and **increased EU funding opportunities** for critical raw material projects of strategic importance.

62. **State aid must be limited and targeted**. We support the **simplified granting of state aid to develop renewable energy and long-duration energy storage systems** and to **implement capacity mechanisms**.

63. **State aid procedures need to be much shorter** to speed up the market penetration of new technologies and to ensure sufficient production capacity of important existing technologies.

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