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Turasóireachta agus Fostaíochta
Department of Enterprise,
Tourism and Employment

Niamh Smyth
Minister of State for Trade Promotion,
Artificial Intelligence and Digital Transformation

14 October 2025

Henna Virkkunen
Executive Vice-President of the
European Commission for Technological
Sovereignty, Security, and Democracy
Brussels

Executive Vice President Virkkunen,

I very much appreciate your commitment to advancing the EU's digital transformation as a key enabler to strengthen the EU's competitiveness.

Ireland has prepared a short paper to be included as part of the call for evidence ahead of the European Commission's publication of the Digital Simplification package next month. This paper builds on the Polish Presidency's progress on identifying challenges and recommendations towards digital simplification.

Ireland strongly supports the commitment set out in the European Commission's Competitive Compass for a more coherent and effective digital rulebook, as a critical step in boosting Europe's competitiveness. Ireland calls for an ambitious digital simplification package which supports the EU's strategic positioning as the location of choice for trustworthy digital innovation.

I am pleased to share the following proposed priorities for Digital Simplification, with a strong emphasis on the critical importance of improving the effectiveness and coherence of the digital rulebook.

Ireland will continue to work closely with the Commission in delivering on the wider simplification agenda, particularly in the context of our Presidency of the Council of the European Union next year.

Yours sincerely,
Niamh Smyth
Minister of State for Trade Promotion, Artificial Intelligence and Digital Transformation

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Ireland's Proposed Priorities for Digital Simplification

Ireland submits the following proposals for the digital simplification package, based on targeted stakeholder consultation with business and industry representatives, National Regulatory Authorities (NRA) and government officials.

1. Foster a dynamic digital simplification approach

Simplification should be a dynamic process, building on the adoption of the omnibus package. Ireland recommends that guiding principles be adopted for this simplification process as well as any future legislative and policy development in the digital area, including:

- **A risk-based approach** - to identify areas and establish criteria for areas for simplification and avoid unintended gaps.

- **Horizontal and Sectoral Rules**: Review sector-specific rules to avoid overlap with horizontal legislation, ensuring that consumer protection remains central.

- **Evidence-Based Approach**: Simplification must be grounded in evidence to avoid unintended consequences, including through regulatory impact assessments.

- **Futureproofing**: The approach on this digital simplification package and any future digitalisation legislation should anticipate upcoming EU legislation in the digital area (e.g. the Digital Networks Act, the Digital Fairness Act, GDPR Procedural Harmonisation Regulation).

- **Stakeholder consultation** should be a mandatory and transparent part of the formulation of EU digital regulation, to ensure practical, industry-informed rules and implementation.

2. Strengthen the Coherence of the Digital Rulebook

<u>Strengthen processes for harmonised implementation and interpretation of digital regulation across the EU</u>

- **Apply the Country-of-Origin Principle to digital regulation in a systematic way** to ensure predictability and encourage cross-border scaling for SMEs by removing digital trade barriers, reducing legal fragmentation and supporting market integration across the single market.

- **Strengthen regulatory coordination mechanisms** to reduce regulatory ambiguity, ensure uniform interpretation across EU member states and contribute to building capacity in NRAs. This would support NRAs in aligning interpretation with EU-wide approaches to ensure coherence, clarity and proportionality. It would also help clarify the coexistence of different enforcement regimes to reduce complexity and

uncertainty for industry and strengthen the ability for harmonised interpretation across the digital regulation rulebook.

Clarify the interplay between regulations

Key legislation is characterised by fragmentation, overlapping obligations, and inconsistent definitions (e.g., AI Act, GDPR, NIS2, CRA, DORA, Data Act). For coherence, the interplay between the above-mentioned instruments should be clarified:

- Develop **glossaries of definitions** that apply across the EU Digital Rulebook – including of "high-risk AI systems," "data intermediation services," and "main establishment" (which varies between NIS2 and CRA). Harmonised definitions for terms like "risk," "provider," and "incident reporting thresholds" would reduce legal uncertainty and compliance costs where possible.
- With regulators' input, cross-reference between regulations to avoid duplication. This would identify and address overlapping regulations (e.g., DSA, AVMSD, GDPR, TCO) that create operational challenges, requiring coordination among regulators.

3. Improve the Effectiveness of the Digital Rule Book

Digital simplification measures, where implemented proportionately, have the capacity to reduce administrative and regulatory burdens on businesses in the EU across the wide range of areas falling within the ambit of the EU digital acquis, such as data protection and governance, cybersecurity, AI, and network integrity.

The streamlining of overlapping reporting requirements, including risk assessments, incident reporting, data sharing and processing would reduce administrative burden for both companies and regulators.

The following initiatives would contribute to improving the effectiveness of the EU digital rulebook:

- Align content of incident reports and reportable incident thresholds across EU cybersecurity legislation.

- Streamline reporting requirements to ensure consistency and avoid duplication across the digital rulebook.

- Support the adoption of digital tools to reduce administrative burden and prevent duplication of reporting requirements, such as:
    - Automated risk assessments where appropriate (e.g., for AI systems or cybersecurity incidents).

    - Simpler templates for SME compliance (e.g., GDPR record-keeping, AI Act registrations.
    - The use of initiatives such as the EU Business Wallet or digital product passports can simplify reporting or other compliance requirements where possible.

- Create a centralised digital portal for stakeholders, with a special focus on SMEs. This could include definitions, guidance, standardised templates and tools for compliance reporting across digital regulations. This would support data literacy, helping organisations and the public to understand their rights and responsibilities under the legal frameworks and reduce the complexities arising from multiple digital regulations.

- Further develop regulatory sandboxes to support SMEs and regulators in building skills and capacity to adapt to new digital regulations.

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Annex

Detailed suggestions on AI, Data, Cyber, Connectivity and privacy

Simplification of the AI Act:

- **Continue to support and resource the AI Board and its subgroups beyond the implementation deadlines.** These are critical regulatory forums providing guidance and ensuring consistency across Member States in early years of implementation. This would ensure that the AI Board further coordinates with relevant digital regulation governance structures to ensure coherence and efficiencies across National Regulatory Authorities and avoid duplication of efforts.

- **Provide greater certainty and predictability for regulators and businesses** by linking timeline for enforcement provisions to the availability of the standards and guidance required to help regulate and achieve compliance. The Act is very complex, and implementation will be a significantly smoother process for both regulators and regulated entities if guidelines and harmonised standards are available well in advance of compliance deadlines. This will provide essential time to prepare in order to achieve compliance at the deadline date.

- **Develop glossaries with common definitions** including on what constitutes "putting AI into use" (e.g., global vs. EU-market models) or on "intended use".

- **Clarify the interplay between the AI Act and other digital regulations**, especially on personal data processing, on market surveillance functions and on the cooperation needed between market surveillance actors, notifying authorities and fundamental rights protection bodies to support innovation and responsible AI. This could build on the initiatives underway between the European Data Protection Board and the EU AI Office.

- Confirm the requirement for, and strengthen the mechanisms to **facilitate, data sharing between competent authorities designated under the AI Act** to enable effective and coherent enforcement. This is particularly important in relation to the sharing of data that may be considered commercially sensitive in nature.

- **Examine and remedy legislative constraints in other sectors** (e.g. financial services legislation such CRD, Solvency II) that preclude regulators in those sectors from sharing information on individual institutions with other relevant regulators (nationally or EU) where their investigations identify potential breaches of AI regulation.

- Identify opportunities to **leverage reporting requirements already in place** under existing market surveillance and digital regulations. In order to reduce the administrative overhead on entities subject to the AI Act, the emphasis should be on augmenting existing

sectoral reporting requirements with any additional data required to meet AI Act obligations, rather than introducing additional and distinct reporting requirements.

Simplification of the Data Framework:

- **Expansion or continuation of a coordinating regulatory forum such as the EDIB.** The EDIB is a valuable resource, providing guidance and consistency across Member States and it will have an important role post-implementation.

- In addition, **a forum for Member States to work through implementation** in the early stages, prior to designation of competent authorities would be beneficial.

- **Development of a glossary of definitions** to address inconsistencies: Consolidating a glossary with key definitions for stakeholders that cross references and aligns definitions (e.g. 'data processing' or 'related services' under the Data Act). This would aid the clarification of definitions across different pieces of legislation.

- **Review of reporting** requirements under the Data Act and the Data Governance Act to mitigate overly burdensome requirements, which may affect uptake of rules designed to encourage innovation.

- **Greater clarity and alignment of rules** to address the intersecting compliance requirements for stakeholders around digital regulation, for example with the Data Act and GDPR. Additional clarity and alignment of rules will support a balanced, efficient data economy which facilitates data flows, and reduces regulatory barriers to business.
    - Data Retention: Harmonisation of data retention and lawful access rules across EU Member States is needed to reduce administrative burdens.
    - International transfers: Clarify cross-border data sharing rules and temporal scope under the Data Act to mitigate unclear rules (e.g., adequacy decisions, intra-company transfers) that could hinder global operations.

Simplification of cybersecurity regulations:

- The EU cybersecurity agency (ENISA) or the European Commission could be requested to do **mapping on the overlap of the incident reporting between the cyber and digital domains** to provide an evidence base on which improvements can be suggested by Member States and the Commission on how to address this issue.

- Similarly, a study on **Harmonised risk assessments** across NIS2, CRA, and sectoral rules would help identify how to streamline the risk assessments, while acknowledging that the crossover between NIS2/CRA may be limited given their different focus.

- Measures to **strengthen certification processes**, including voluntary certification schemes, could include increasing stakeholder engagement, ensuring they are supported by mutual recognition with national and international frameworks and that certification schemes support the growth of the EU's single market.