

**Policy Brief**

# More Environmental Protection, Less Reporting Burden

How a Scale-Up Regtech Initiative Can Lower Compliance Costs  
for Companies and Increase the Effectiveness of Regulations





### **About the EDDIE consortium**

This policy brief builds on the research carried out for the European Distributed Data Infrastructure for Energy (EDDIE), an 18-partner consortium co-financed by the European Union. EDDIE introduces a decentralised, distributed and open-source data space in alignment with the efforts of the European Union smart grids task force, the implementing acts on interoperability and other European initiatives. It has received co-funding by the European Union's Horizon Europe programme under grant agreement No. 101069510. For more, visit <https://eddie.energy/>.

## Policy Brief

# More Environmental Protection, Less Reporting Burden

How a Scale-Up Regtech Initiative Can Lower Compliance Costs for Companies and Increase the Effectiveness of Regulations

By David Osimo



### About the author

**David Osimo** is executive director and director of research at the Lisbon Council.

The views expressed in this policy brief are those of the author alone and do not necessarily represent the view of the members of the European Distributed Data Infrastructure for Energy (EDDIE) consortium, the European Commission or any of their associates.

Squeezed between Europe's lagging competitiveness, the rise of populist parties opposed to the green deal and international turmoil, Brussels' policymakers face a dilemma: to deregulate or not to deregulate. There are deep divisions between the European Commission, the European Parliament and the Council of the European Union over reducing the regulatory burden on companies by walking back the current regulatory provisions. The recent contested approval in the European Parliament of the omnibus package to simplify rules

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***'While the deregulation debate rages, how do we design regulations that are easier to comply with in the first place?'***

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under the corporate sustainability reporting directive (CSRD) and the corporate sustainability due diligence directive (CSDDD) made this abundantly clear and similar tensions are now being ignited by the digital omnibus presented on 19 November 2025.

While the deregulation debate rages, a critical question remains overlooked: how do we design regulations that are easier to comply with in the first place?

There is a way. A wide range of digital solutions that facilitate compliance already exists – in fact, there is a whole sector of startups dubbed “regtech,” short for regulatory technology. Regtech increases the effectiveness of controls and reduces administrative burden. However, for regtech solutions to scale across borders and become accessible to small and medium enterprises (SMEs), it is essential to remove the subtle differences between regulations and between member states that make customisation necessary. The good news is that European institutions achieved similar results in the wake of the post-2008 regulatory wave on banks, leveraging digital innovation to increase the effectiveness and reduce the burden of banking supervision.

Building on this precedent, the policy brief argues that it is time for a scale-up regtech initiative, a flagship programme that works together with regtech providers to ensure regulation is designed in a way that promotes automatic compliance at scale across sectors and member states.

There will always be a need for hard policy discussions between advocates of safety and those of competitiveness, but technology can radically lower these trade-offs.

## Deregulation and its discontents

As part of the drive for competitiveness triggered by the Draghi report, the European Commission has proposed major simplification measures in two of its flagship policy areas, the green and digital transitions, through a series of “omnibus” packages. These packages introduce changes to multiple legislative measures with changes of a similar nature across packages, as illustrated in the table.

These deregulatory interventions have been contentious, to say the least. The sustainability omnibus has triggered considerable conflict between European institutions and political parties. Having been first approved after lengthy negotiations in the European Parliament,

the European Commission's proposal was later voted down in an official secret ballot. Member states were frustrated and in its 23 October conclusions, the Council of the European Union, in no uncertain terms, urged “the Commission and the co-legislators to accelerate their work, as a matter of utmost priority, on all files with a simplification or competitiveness dimension.” The omnibus was eventually approved with the combined votes of the European People’s Party and the far-right parties, breaking the “cordon sanitaire” and setting an ominous precedent for the rest of the mandate. The digital omnibus has faced similar backlash and sown similar division, with critics accusing the European Commission of walking back commitments to privacy and safety. Vice-President Ribera herself called it “terrible political spectacle.”<sup>1</sup>

**Table 1. Overview of changes introduced by the omnibus proposals**

| Type of change  | Sustainability omnibus   | Digital omnibus  |
|---|--|--|
| <b>Increased exemptions</b>                                 | Raises thresholds (number of employees and turnover) for mandatory compliance with CSRD and CSDDD, e.g., increasing the employee threshold for CSRD from 250 to 1,000+ to exclude ~80% of companies. | Extends compliance simplifications under the AI act, originally for small and medium-sized companies (SMEs), to small mid-cap companies (SMCs), reducing their compliance burden while keeping them within regulatory scope.   |
| <b>Implementation delay</b>                                 | “Stop-the-clock” mechanism: Postpones the application of mandatory reporting requirements for so-called wave 2 and 3 companies (i.e., those due to start reporting in 2026/2027) by up to two years. | Readiness delay: Postpones the enforcement of critical rules, such as for high-risk artificial intelligence systems, until the necessary supporting tools and technical standards are available.   |
| <b>Streamlining redundant or contradictory requirements</b> |  | Introduces a single-entry point, or one-stop shop, where companies can meet all cybersecurity incident-reporting obligations.  |
| <b>Reducing reporting requirements</b>                      | Reduces the number and complexity of mandatory data points (e.g., removing less important metrics) within the European sustainability reporting standards (ESRS)                                     |  |
| <b>Novel measures or requirements</b>                       |  | <ul style="list-style-type: none"> <li>• Recognises “legitimate interests” as a valid legal ground for the development and operation of artificial intelligence under the general data protection regulation (GDPR).</li> <li>• Requires single-click refusal for cookies and centralised data protection and privacy settings on the user side.</li> <li>• Directs the data protection board to develop standard templates for data protection impact assessments.</li> </ul> |

<sup>1</sup> Francesca Micheletti, “Red-Tape Cutting Has Become a ‘Terrible Political Spectacle,’ EU’s Ribera Says,” POLITICO, 4 December 2025.

And these are the first two of the European Commission's simplification packages. Further discussions, conflict, negotiations and political capital will be required for those yet to come. On the one hand, this may just be the normal learning curve as governments adapt to the challenges of the twin transition and rapid technological change. On the other hand, if we look at the underlying issues the simplification efforts typically aim to address, they signal a deeper malaise:

- 1** Seemingly sound legal requirements that, when implemented, result in an excessive reporting burden for companies, especially smaller companies. This was the criticism of the sustainability reporting requirements and the compliance requirements under the AI act and resulted in increased thresholds for exemption.
- 2** Contradictory and redundant reporting requirements between different legislation. For example, a single cybersecurity incident requires separate reports under the digital operational resilience act (DORA), the second network and information systems directive (NIS2) and GDPR.
- 3** Different reporting requirements across member states due to different enforcement and “gold plating.” For example, complying with the directive on extended producer responsibility means navigating different reporting platforms in different member states while recycling a product across borders can require hundreds of specific reports and registration costs of up to €140,000 per product. Similarly, protocols for accessing energy consumption data, which is essential for certifying green energy, vary significantly across member states, forcing companies to tailor their services per country.<sup>2</sup>
- 4** The emergence of new technologies, such as generative artificial intelligence, that challenge the existing definitions of personal data processing.

While interventions under the fourth point are justified, as new technologies have reshaped both the market and the very definition of data processing, the other issues stem not from

learning and improvement but rather from design flaws in the legislation or backlash against its implementation. The simplification measures proposed in the omnibus packages are not structural solutions but short-term, transactional patches, such as raising exemption thresholds or delaying enforcement deadlines. These measures will not deliver the

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competitiveness gains Europe so badly needs and the political capital spent is unlikely to deliver an adequate return on investment.

It is therefore legitimate to ask: Is this the only way forward? Is this the best we can do? How can we structurally address the other three points and prevent them from recurring?

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<sup>2</sup> See Paul Hofheinz, Cristina Moise and David Osimo, *Green, Digital and Competitive: An SME Agenda for the 21st Century* (Brussels: The Lisbon Council, 2022).

# There is a better (digital) way

Digital aficionados have long called for digital-ready policymaking which makes regulation digital by design and easier to implement and enforce through automation. The concept implies a mix of approaches to designing legislation that enables automatic compliance and thereby reduces administrative burden.<sup>3</sup>

The key components are:

- **Digital-native processes:** By default, all compliance is ensured through electronic means. This includes a design-based approach where reporting requirements are already prototyped in the legislative process to anticipate concrete requirements, identify redundancies and avoid excessive burden.
- **Rules as code:** Legislation is written in machine-executable format so that systems can consistently ensure compliance. When aligned with the interoperability requirements of the interoperability act, this also enables consistency checks between the requirements of different legislation at the European and national level.
- **Standardised reporting requirements:** Legislation includes formalised reporting requirements that are standardised across different laws and member states to avoid duplication of processes and work. This supports large-scale automation, enabling reporting to shift from the submission of PDFs and forms to automatic reporting via structured formats such as XBRL and application programming interfaces (APIs).
- **Data reuse:** Data requirements are clearly defined and data-sharing mechanisms are in place to simplify compliance. For example, the second payment services directive (PSD2) specifies which data banks must share, in what format and with what authentication methods. Data reuse also results in efficient sharing of public sector data, preventing repeated requests for the same information. This aligns with the well-established “once only” principle, set out in the 2017 Tallinn declaration, which affirms that citizens and businesses should only need to provide information once.
- **From one-stop shop to no-stop shop:** Governments often create one-stop shops or single-entry points but the problem lies in the multiplication of such schemes. While one-stop shops consolidate some of the requirements, they leave others out. For instance, while DORA was successful in streamlining reporting requirements for financial institutions, NIS2 envisaged similar requirements for all businesses, resulting in duplication. A no-stop shop concept, on the other hand, activates compliance mechanisms automatically using data already held by public administrations or accessed through trusted third parties.<sup>4</sup>

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<sup>3</sup> See Claudia Oliveira, Noémie Custers and Tommaso Zonta, "Digital-Ready Policymaking: Digitalising Legislation in Europe and Beyond," *Proceedings of the 17th International Conference on Theory and Practice of Electronic Governance, ICEGOV 2024, Pretoria, South Africa, 1–4 October 2024*. Association for Computing Machinery, New York, NY, U.S., pp. 381–383.

<sup>4</sup> Hendrik Scholten and others, "From One-Stop Shop to No-Stop Shop: An e-Government Stage Model," *Government Information Quarterly*, vol. 36:1, 2019, pp. 11–26.

Digital-ready policymaking enables the automation of compliance. Automated compliance reduces administrative burden, improves the quality of data reported and makes enforcement easier.<sup>5</sup>

Importantly, digital-ready policymaking does not require governments to build automated compliance solutions end-to-end. Much of the heavy lifting in terms of business-facing solutions is provided by regtech companies. This growing segment of digital companies uses advanced technologies like artificial intelligence, machine learning and big data to streamline and enhance regulatory compliance and reporting processes.

Europe has a thriving regtech sector and is home to many regtech leaders covering different aspects of regulation, as illustrated in the table.

**Table 2. Examples of European regtech companies**

| Company           | Country (European Union base) | Primary regtech focus                                     | Core compliance function  |
|-------------------|-------------------------------|---|---|
| <b>Regnology</b>  | Germany                       | Regulatory reporting and supervisory technology (suptech) | Automating the compilation and submission of complex financial reports, such as the common reporting framework (COREP) and FinRep, to national and European Union regulators.   |
| <b>Fenergo</b>    | Ireland                       | Client lifecycle management (CLM)                         | End-to-end automation of know your customer (KYC), anti-money laundering (AML) and client due diligence (CDD) for financial institutions.   |
| <b>Hawk AI</b>    | Germany                       | Financial crime detection                                 | Real-time transaction monitoring and fraud detection using explainable artificial intelligence (XAI) to drastically reduce false positive alerts.   |
| <b>DataGuard</b>  | Germany                       | Data privacy and governance                               | Software-as-a-service (SaaS) solutions specialising in supporting companies with compliance for GDPR and data security.   |
| <b>CleverSoft</b> | Germany/Benelux               | Regulation-specific compliance                            | Cloud-managed regulatory reporting for specific market directives like the second markets in financial instruments directive (MiFID II), the second solvency directive and the packaged retail and insurance-based investment products regulation (PRIIPs). |
| <b>Flexidao</b>   | Spain                         | Environmental, social and governance (ESG) reporting      | Clean energy intelligence platform that streamlines CSRD/carbon disclosure project (CDP) compliance and provides audit-ready data for renewable energy consumption and emissions reporting.   |

<sup>5</sup> On the benefits of automated compliance, see Daniele Catteddu, “A New Era for Compliance: Introducing the Compliance Automation Revolution (CAR),” *Cloud Security Alliance*, 29 April 2025, available at <https://cloudsecurityalliance.org/blog/2025/04/29/a-new-era-for-compliance-introducing-the-compliance-automation-revolution-car>.

As the table shows, regtech is most developed in the financial sector, with a more limited offering in the privacy and ESG domains. After the financial crisis of 2008, strict regulatory provisions created demand for compliance support services, which was further reinforced by extensive standardisation and active dialogue between regulatory bodies and the market. Regtech market analyses have long identified as a growth factor the technical standardisation required under regimes such as MiFID II and Solvency II. This has made it easier for providers like Regnology to build scalable, off-the-shelf solutions.<sup>6</sup>

Regtech has measurably decreased the administrative burden for financial institutions and has lowered the risk of errors. Reports show a 25-30% reduction in compliance costs in the financial sector thanks to regtech.<sup>7</sup> By contrast, similar gains have not been felt in environmental or privacy regulation, where regtech solutions remain less common and less standardised.

The reason is straightforward: the scalability of regtech requires the kind of standardised and digital-native requirements that only digital-ready policymaking can provide. But while there is widespread agreement on the need for digital-ready policymaking across the board, action has not followed. The European Commission included digital-ready policymaking in its better regulation toolbox in 2017 but actual adoption of the concept in legislative processes has been disappointing. The long-promised 25% reduction in administrative burden through digital-ready policymaking has not materialised and instead, policymakers continue to move thresholds and walk back deadlines.

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***'Regtech reduces administrative burden of financial regulations by 25%, but such benefits are not detected for environmental and digital regulation'***

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Admittedly, a new sense of urgency is visible. The European Commission has introduced a new digital statement for every legislative proposal, requiring information on the digital, data and interoperability implications. In parallel, the recent data union strategy puts forward a similar concept of one-click compliance, to be achieved through pilot projects and enablers such as the business wallet. These statements, pilots and enablers are necessary steps in the right direction, but alone they are insufficient to achieve the scale required within the European institutions and across the market.<sup>8</sup>

Without digital-ready policymaking at scale, compliance solutions are ad hoc, not standardised. Different legislations require different reporting data and systems, fragmented across different member states and sometimes contradictory. As a result, in areas such as ESG, regtech solutions today are largely customised for individual clients. This raises

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6 See Deloitte, *RegTech Universe 2024* (Deloitte, 2024).

7 See Model Office, *Cost of Compliance Benchmark Report 2024* (Model Office and Fidelity International, 2024); European Banking Authority, *Study of the Cost of Compliance with Supervisory Reporting Requirements – Report EBA/Rep/2021/15* (European Banking Authority, 2021).

8 See European Commission, “A simpler and faster Europe: Communication on implementation and simplification,” *Communication of the European Commission*, COM(2025) 47, 11 February 2025 and European Commission, “Data Union Strategy: Unlocking Data for AI,” *Communication of the European Commission*, COM(2025) 385, 19 November 2025.

costs and makes solutions accessible only to large companies, thereby placing SMEs at a competitive disadvantage.

In other words, the lack of digital-ready policymaking prevents regtech solutions from scaling, which disproportionately harms smaller companies. Scaling regtech would deliver the greatest benefits to SMEs and reduce the unfair advantage that regulation gives to large businesses, as Mario Draghi makes clear in his report.

So how did financial regulators manage to foster the regtech ecosystem, and what can we learn from it?

### **A tale of two transitions: data portability in payments and energy**

If data is the oil of the artificial intelligence era, data portability is the market that allows data to flow to where it creates the most value. It is also essential for regulatory compliance. Yet, true data portability remains more an aspiration than an achievement.

Data portability is far more advanced in the financial sector. Provisions such as the revised payment service directive make it compulsory for banks to share bank account data with licensed third-party payment service providers with customer consent. Implementation measures have standardised the security protocols and user interface for consent. This clarity and standardisation have helped the fintech sector to thrive in Europe.

Data portability is just as important in the energy sector. Granular energy consumption data is needed for regtech companies such as Flexidao to certify the provenance of green energy used, using the data held by smart meters and energy providers. And although ensuring access to energy consumption data is theoretically mandatory, in practice, protocols vary widely across member states and solutions need to be customised country by country. As a result, scaling regtech solutions in this domain is cumbersome and costly. Projects like EDDIE are building middleware to facilitate access to data and reduce burden, but lasting progress will require the enforcement of standardised data portability provisions across Europe through regulation – just like in the case of the financial sector.<sup>9</sup>

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<sup>9</sup> For more information, see <https://eddie.energy/>.

# Banking regulation shows it's possible

The massive wave of post-2008 banking regulations created a systemic compliance burden for the financial sector. The European Central Bank (ECB) faced extensive criticism for its excessively restrictive regulatory approach and has made continuous efforts to simplify its regulatory framework throughout the years. At the same time, it has strongly promoted digital innovation and automated compliance to achieve “end-to-end digitalised supervisory processes facilitating automation and more consistency.” This segment of regtech, known as “suptech,” or supervisory technology, enables the ECB to improve the effectiveness of its supervision while limiting the regulatory burden on banks.<sup>10</sup>

The initial wave of European Union financial legislation, with its emphasis on increased transparency and risk management, created immediate demand for digital solutions. And European regulators such as the European Commission, the European Banking Authority and the ECB actively promoted digital innovation.

The European Commission proactively enabled regtech growth through specific initiatives aimed at financial regulators and institutions, such as regulatory sandboxes, the European Union fintech lab and the expert group on regulatory obstacles. New European legislation, such as DORA, mandates strict, harmonised rules for risk management and incident reporting for all financial entities, creating a massive, specific market for digital operational resilience tools.

The ECB fully embraced digital solutions by creating a dedicated suptech section, which is responsible for managing the ECB's portfolio of suptech projects, implementing cutting-edge technologies and steering the innovation management framework across the single supervisory mechanism (SSM). It has launched centralised platforms, such as the centralised submission platform (CASPER) and the information management system (IMAS) portal, designed to modernise data exchange and collaboration. These systems enable banks to submit information securely via APIs, driving demand for digital solutions that can seamlessly automate reporting directly into the supervisory systems. Other initiatives are dedicated to simplifying and standardising reporting across countries, through the banks' integrated reporting dictionary (BIRD) and the integrated reporting framework (IReF). These initiatives for digitisation and standardisation have been an important enabler of a single regtech market.<sup>11</sup>

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***'In 2017, the European Commission included digital-ready policymaking in the better regulation toolbox but adoption has been disappointing'***

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<sup>10</sup> For an overview of the current simplification efforts at the ECB, see European Central Bank, *Simplification of the European Prudential Regulatory, Supervisory and Reporting Framework* (Frankfurt: European Central Bank, December 2025). For an overview of efforts to streamline supervision, see European Central Bank, *Streamlining Supervision, Safeguarding Resilience: The ECB's Agenda for More Effective, Efficient and Risk-Based European Banking Supervision* (Frankfurt: European Central Bank, December 2025).

<sup>11</sup> Frederik Hoppe, "Benefits from Advanced Technology Infrastructure in Supervision," *Supervision Newsletter*, 14 May 2025.

Achieving this shift required a massive cultural transformation at the highest strategic level among European regulators, seeing technology as an opportunity more than a risk. As Lukasz Kubicki, head of supervisory technologies at the ECB, puts it: “While ensuring robust and trustworthy artificial intelligence is fundamental, looking at risks and challenges only will stop progress.” The ECB has invested heavily in internal digital skills, partnering with academia to equip staff at all levels with state-of-the-art knowledge on topics such as artificial intelligence and digitalisation. Crucially, this has been done in close alignment with market developments: since 2019, the ECB has organised the annual supervision innovators conference, now a global reference that gathers more than 1,000 key regtech players from all over the world.<sup>12</sup>

In addition, the reduced burden thanks to automation has lowered barriers to entry for new fintech players. Suptech solutions are no longer only affordable for big banks. Standardisation and digital-ready policymaking have created opportunities to scale solutions, lower costs and broaden access for smaller entities. Thanks in part to this pro-innovation approach which has reduced market fragmentation and opened the doors to new players, Europe has surpassed China in the number of fintech unicorns.<sup>13</sup>

Of course, the picture is not fully rosy. More progress is needed to make Europe’s banks more competitive through simplified and streamlined reporting and more nuanced risk assessment, as Mario Draghi points out in his landmark report. But the progress achieved to date is substantial and exceeds any other similar effort in the European institutions, in particular

thanks to the acquisition of internal skills and the close cooperation with the regtech ecosystem.

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***‘By embracing digital-ready regulation, European financial regulators reduced compliance costs, increased effectiveness and stimulated the regtech market’***

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Through a combination of strategic technology adoption and deep engagement with innovators, European

institutions have managed to reduce the costs of compliance, open the financial market to new fintech players, strengthen supervisory effectiveness and stimulate the growth of a new sector.

This is Europe at its best. This is the Europe we should strive for.

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<sup>12</sup> For an overview of the ECB vision and activities, see Elizabeth McCaul, “The Impact of Suptech on European Banking Supervision,” *Supervision Innovators Conference 2022*, Frankfurt, 14 September 2022.

<sup>13</sup> For an overview of how European regulation fostered the fintech ecosystem, see David Osimo, Cristina Moise and Vittoria Barbieri, *When Europe Scales: How Startups and Scale-Ups Can Drive European Competitiveness and Why Good Regulation Is More Important than Ever* (Lisbon Council Research, 2025).

# One single recommendation: launch a scale-up regtech initiative

To deliver a step-change in European competitiveness, the European Commission should launch a scale-up regtech initiative, led by a dedicated task force reporting directly to President von der Leyen. What is needed to set this apart from existing initiatives is a higher political profile internally and sustained collaboration with the regtech ecosystem externally.

The goal is clear: make regulatory compliance simple, automated and effective at scale, establishing Europe not just as the master regulator but, more importantly, as a global benchmark for effective and low-cost compliance. To do so, the Commission should embrace digital-first solutions to streamline regulatory compliance across all sectors and deliver the benefits of automated compliance by design across every major regulatory intervention.

The scale of this intervention is crucial: only by fully embedding digital-ready policymaking across legislation can the European Union grow a single, deep regtech market that ultimately lowers compliance costs for all businesses, especially SMEs.

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***'Only by deploying digital-ready policymaking systematically across legislation we can grow a single regtech market'***

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Co-creation with regtech companies is essential to success. Technological innovation and standardisation should be used as key levers to make regulation regtech-ready. In particular, it is crucial to identify and remove barriers to scaling a single regtech market, such as different reporting standards across regulations and member states.

There is no major political controversy here. The better regulation agenda already defines the opportunities and the tools. The Draghi Report repeatedly calls for simplification, standardisation and digitalisation. There is no partisan split on the economic value of reducing administrative friction: member states may resist as digital-ready policymaking limits the possibilities for national "gold plating," but the Commission has already proven its capacity to overcome such resistance.<sup>14</sup>

This transformation has not happened and will not happen unless it is embraced at the highest political level. The political capital required is far less than that wasted by imposing complex regulations and then spending years trying to fix the unintended consequences.

The scale-up task force should spearhead a digital compliance scale-up initiative modelled on the strategic success of the ECB's supervisory technology activities, revolving around four core actions:

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<sup>14</sup> This discussion can be extended to the idea of increasing the use of regulations rather than directives in European Union policymaking, as directives inherently create fragmentation in the single market. For a fully-fledged analysis of this proposal, see Luis Garicano, Bengt Holmström and Nicolas Petit, "The Constitution of Innovation: A New European Renaissance," 10 November 2025.

**1 Foster a pro-innovation digital culture within the European institutions:** Government culture is skewed towards preventing risk rather than seizing opportunities and European institutions are no exception. A fundamental shift in mindset is needed, endorsed at the highest political level. Put simply, the European Commission should become a world leader in using digital technologies for regulation and compliance, adopting state-of-the-art technology and substantially upgrading the current, insufficient level of digital service delivery. To achieve this, political leadership at the highest level is needed, just like in the ECB.

**2 Integrate digital compliance by design in new regulation:** The scale-up task force should ensure regulation is “fit for regtech,” including standardised and digital-first reporting requirements across all new legislation and member states, in alignment with global standardisation initiatives. To do so, it must be given direct, statutory legislative review powers and be fully integrated into the existing better regulation process, the single market task force and the European interoperability board.

**3 Acquire state-of-the-art skills:** The European Commission must launch a major programme to provide dedicated digital skills training to all policy and legal staff and aggressively recruit digital talent from the market. As Elizabeth McCaul, former member of the ECB’s supervisory board, noted: "Managers and staff need to develop the right skills and mindset to enable them to embrace the opportunities offered by new technologies."<sup>15</sup>

**4 Institutionalise dialogue with regtech companies:** The European Commission should establish permanent, high-level dialogue with the regtech community, including through annual flagship conferences to be held in conjunction with the existing ECB supervision innovators conference. This would ensure that regulation remains aligned with technological capability and market developments.

The European Commission has already demonstrated its capability to deliver difficult, pro-innovation and pro-single market measures through its activities promoting fintech. It is time to direct this same institutional energy towards the strategic goal of digital-ready regulation. The alternative is to remain trapped in an endless, costly debate on regulation versus deregulation, wasting political capital and losing both credibility and competitiveness on the global stage. Europe can and must do better.

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<sup>15</sup> For the current gap in service delivery in the European Commission, see David Osimo, Cristina Moise and Vittoria Barbieri, *When Europe Scales: How Startups and Scale-Ups Can Drive European Competitiveness and Why Good Regulation Is More Important than Ever* (Lisbon Council Research, 2025). The quote is from Elizabeth McCaul, "The Impact of Suptech on European Banking Supervision," *Supervision Innovators Conference 2022*, Frankfurt, 14 September 2022.

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## About EDDIE

EDDIE introduces a decentralised, distributed, open-source Data Space, in alignment with the efforts of the EU smart grids task force on implementing acts on interoperability and other European initiatives. The European Distributed Data Infrastructure for Energy (EDDIE) significantly reduces data integration costs, allowing energy service companies to operate and compete seamlessly in a unified European market. Additionally, an Administrative Interface for In-house Data Access (AIIDA) ensures secure and reliable access to valuable real-time data based on customer consent.

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**The Lisbon Council asbl**  
IPC-Résidence Palace  
155 Rue de la Loi  
1040 Brussels, Belgium  
T +32 2 647 9575  
[www.lisboncouncil.net](http://www.lisboncouncil.net)  
[info@lisboncouncil.net](mailto:info@lisboncouncil.net)

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