Prepared by DigitalTrade4.EU

Electronic Licensing System for Firearms, Their Essential Components and Ammunition (FIRE) and Its Alignment with Digital Trade Policy

Feedback to the EU Commission

August 2025

About Us

The **DigitalTrade4.EU consortium** envisions a **seamlessly interconnected Europe** and **neighbouring regions** powered by harmonized standards for the digitalisation of trade documents and processes. By fostering the digital transformation of trade, we aim to promote economic integration, enhance cooperation, and ensure long-term trade facilitation across borders.

Our consortium is made up of **experts in their field**, including **108 full partners**—trade associations, logistics providers, shipping lines, banks and insurances, technology innovators, etc.—**from 17 European Union countries** (*France, Belgium, Netherlands, Austria, Estonia, Finland, Italy, Latvia, Spain, Germany, Sweden, Poland, Luxembourg, Lithuania, Slovenia, Denmark, Bulgaria*) and **22 non-EU countries** (*United Kingdom, Switzerland, Montenegro, Japan, Singapore, Hong Kong, Australia, New Zealand, India, Nepal, Canada, United States of America, Cameroon, Morocco, Egypt, Kenya, Pakistan, Nigeria, Brazil, Uzbekistan, Turkey, Ukraine*).

Our consortium is already **aligned with the fundamentals** of the **EU Competitiveness Compass**. Learn more:

1. How DigitalTrade4.EU Can Help Achieve the Objectives of the EU Competitiveness Compass (February 2025) https://www.digitaltrade4.eu/how-digitaltrade4-eu-can-help-achieve-the-objectives-of-the-eu-competitiveness-compass/

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1. Executive Summary

This feedback document addresses the European Commission's draft **Implementing Regulation** for the **Electronic Licensing System for Firearms, Their Essential Components and Ammunition (FIRE)**. Our submission is guided by the conviction that only a fully **integrated, digital, and future-proof regulatory framework** can safeguard the **European Single Market** while simultaneously responding to the growing challenges of **cross-border security, digital transformation, and global supply chain resilience**.

The document begins by analysing the intersections between the Commission's **digital trade** and **logistics strategies**—especially as articulated in the **Digital Trade & Capital Markets Integration Roadmap**[1]—and the **FIRE Regulation**. Special attention is given to the role of **digital identities**, **interoperable legal frameworks**, **Electronic Freight Information (eFTI)**, and **Digital Product Passports (DPPs)** in supporting **compliance, transparency,** and the **seamless movement of goods** within the EU and across its borders.

We identify critical **touchpoints** where the implementation of FIRE can benefit from the adoption of solutions that are already driving transformation in other regulated sectors, such as **customs, transport, and financial markets**. In particular, we highlight the necessity for the **electronic licensing system** to **connect and exchange data** with the **EU Customs Single Window**, **eFTI platforms**, and emerging centralised digital registries such as the proposed **EU Trade Document Registry (ETDR)**. Such integration will enable more effective **risk management, real-time supervision**, and rapid **verification of authorisations**, while reducing administrative burdens and compliance costs for both authorities and economic operators.

Furthermore, the document provides a detailed set of **actionable amendments** to the Commission's proposal. These amendments aim to embed key principles such as **open standards, technological neutrality, SME-friendly compliance, robust digital authentication (eIDAS 2.0), advanced RegTech supervision**, and alignment with **ESG goals**. We also propose that the system should be **forward-compatible with Digital Product Passports** and support

[1] https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14666-Revision-of-EU-rules-on-sustainable-finance-disclosure/F3555386_en

the use of global identifiers like **LEI/vLEI** for trusted legal entity identification. **Harmonisation with e-document laws**—including full compatibility with **eFTI (Regulation (EU) 2020/1056) data sets** and **digital transport documents (CMR, AWB, B/L, CIM)**—is underlined as essential for the seamless digital handling of firearms-related shipments.

Our recommendations are informed by the experience and priorities of the **DigitalTrade4.EU consortium** and reflect input from a wide array of **industry, technology, and policy experts** across the EU. We believe that with these targeted changes, the European Commission can achieve a **licensing system** that is not only **secure and efficient**, but also a model of **digital interoperability** and **regulatory innovation** for other sensitive sectors.

This document concludes by calling for continued **dialogue, pilot initiatives,** and **cross-sector collaboration** to ensure the effective implementation of these proposals. We look forward to partnering with the Commission and Member States to create a **harmonised, digitally empowered environment** that fosters **economic growth, enhances internal security,** and strengthens Europe's position in the **global digital economy**.

2. Introduction

The rapid **digitalisation of global trade** and **regulatory environments** is fundamentally reshaping how the European Union manages **high-risk sectors**, such as the trade in **firearms, their essential components, and ammunition**. In recent years, the EU has launched a series of ambitious **legislative** and **policy initiatives** to foster a **Single Market** that is both **highly secure and globally competitive**, with **digital solutions** at its core. The draft **Implementing Regulation** for the **Electronic Licensing System for Firearms** represents a crucial step in this journey—offering an opportunity to set new standards for **transparency, efficiency,** and **cooperation** among Member States.

However, the successful implementation of this Regulation requires more than simply transposing traditional licensing processes into a digital format. Instead, it calls for a **holistic, interoperable approach** that draws upon the best practices developed in other areas of **digital trade, customs, and transport management**. The evolving regulatory environment—characterised by the adoption of **eFTI (Electronic Freight Transport Information)**, **eIDAS 2.0** for **digital identity**, **Digital Product Passports** for product traceability, and **RegTech tools** for automated compliance—provides a blueprint for how the **firearms licensing system** can be designed to meet both current and future needs.

This document is presented by the **DigitalTrade4.EU consortium**, a broad network of stakeholders across **logistics, industry, technology,** and **finance**, committed to supporting the European Commission's goals for an **innovative, secure, and resilient Single Market**. Our analysis is grounded in **practical experience** from **EU-wide pilots and regulatory projects**, and it reflects a strong belief that the **alignment of sectoral regulations, interoperability between systems**, and the use of **open, globally recognised standards** are prerequisites for lasting success.

We begin by mapping the key **touchpoints** between the **Digital Trade & Capital Markets Integration Roadmap** and the **FIRE Regulation**, identifying where **harmonisation, data integration,** and **joint implementation** can generate synergies. We then move to **concrete recommendations** for improving the Regulation—ranging from **SME-friendly compliance**

features and **stronger authentication**, to **seamless integration** with **customs and transport platforms**, and **future compatibility** with new EU digital initiatives like the **ETDR** and **DPP** frameworks.

Ultimately, this feedback aims to help the Commission realise a **licensing regime** that not only meets the immediate requirements of **security and compliance**, but also enables a **flexible, innovation-friendly environment** that can adapt to rapidly evolving **technological** and **policy landscapes**. The stakes are high: by getting this right, the EU can set a **global benchmark** for **responsible, efficient,** and **digitally enabled regulation** of sensitive goods.

Note: *In this document, the terms* ***Small and Medium-sized Enterprises (SMEs)*** *and* ***Micro, Small and Medium-sized Enterprises (MSMEs)*** *are used interchangeably and carry the same meaning and weight. This clarification is important because different sources and contexts may refer to these groups using either acronym, but both encompass the full range of smaller business categories critical for economic development.*

3. Touchpoints between Digital Trade Roadmap Activities and FIRE Implementing Regulation

3.1. Overview of the Digital Trade Roadmap

The **Digital Trade & Capital Markets Integration Roadmap** represents a coordinated EU strategy to achieve a **seamless, secure, and innovative digital Single Market**. It lays out core actions for the **digitalisation of trade documentation**, **regulatory harmonisation**, and the use of **interoperable data platforms** across all sectors, including **customs, transport, capital markets, and ESG (environmental, social, and governance) compliance**. Key enablers in the roadmap include the **eFTI Regulation (EU) 2020/1056**, **eIDAS 2.0 Regulation (EU) 2024/1183** for **digital identity and trust**, **Legal Entity Identifiers (LEI/vLEI)** for reliable party identification, **Digital Product Passports (DPPs)** for supply chain traceability, and advanced **RegTech** solutions for automated compliance and supervision.

By leveraging these tools, the roadmap aims to reduce **administrative burdens**, **improve transparency**, and **strengthen the EU's capacity** to manage complex, high-risk supply chains—including those involving **firearms, their essential components, and ammunition**.

3.2. Key Areas of Overlap

Several core **activities** from the roadmap directly intersect with the requirements of the **FIRE Implementing Regulation**. These **touchpoints** include:

- **Interoperability** between the electronic licensing system and key customs, VAT, and transport platforms (such as the **EU Customs Single Window** and **eFTI**).
- **Legal entity identification** using **LEI/vLEI** to ensure secure and trusted operations.
- **Authentication** and **user management** through **eIDAS 2.0** digital identity wallets.
- **Supply chain traceability** via integration with **Digital Product Passports (DPPs)** and harmonised digital transport documents (including **CMR, AWB, B/L, CIM**).

- Adoption of **AI/ML-based RegTech tools** to enhance **risk profiling** and automated supervision.
- **SME-friendly** compliance frameworks, ensuring proportionality and inclusiveness.
- **Harmonisation of e-document laws**, supporting mutual recognition, data sharing, and legal certainty across borders.

3.3. Touchpoints between Digital Trade Roadmap Activities and FIRE Implementing Regulation

#	Activity	Objective	Overlap/Touchpoints with Implementing Regulation	Tools/Enablers
1	**Establish EU Trade Document Registry (ETDR)**	Decentralize and secure cross-border trade/ESG data for supervision using a distributed architecture, enabling trusted and interoperable access to regulatory and ESG information across the EU.	Potential future integration: The electronic licensing system should be designed for compatibility with a potential EU Trade Document Registry (ETDR) to enable real-time supervision and secure data exchange for firearm-related licences.	Zero Trust Architecture, EBSI/blockchain systems, MLETR-compliant platforms, PSD3-PSR/FiDA APIs, vLEI
2	**Digitalise Tax & Customs Interfaces**	Integrate trade, tax, and customs data flows to reduce friction and fraud	Direct integration required: The electronic licensing system must interconnect with Single Window, customs and VAT platforms to improve fraud detection and simplify cross-border firearms movement.	EU Customs Data Hub, Single Window for Customs, VAT in the Digital Age (ViDA), vLEI, eFTI/eCMR linkages
3	**Adopt MLETR + eIDAS 2.0**	Enable seamless digital negotiable instruments and cross-border recognition	Direct overlap: eIDAS 2.0 digital identity wallets and legal harmonization should be adopted in the electronic licensing system for secure, future-proof authentication and compliance.	MLETR framework, eIDAS 2.0 digital identity wallets, EU legal harmonization tools
4	**Develop RegTech supervision tools**	Enhance real-time oversight of capital markets and ESG compliance	Direct overlap: Electronic licensing system can leverage AI/ML-based risk profiling and RegTech tools to automate fraud detection and improve supervision of firearms transactions.	AI/ML dashboards, Legal Sandboxes, ETDR-linked reporting systems
5	**Digital Bonds & Convertibles**	Enable automated, ESG-linked debt instruments	-	ETDR registry, smart contracts, DPP/ESG data integration, eIDAS 2.0 authentication
6	**SME-friendly compliance frameworks**	Ensure SMEs benefit from digital reforms without disproportionate burden	Direct overlap: Electronic system should offer SME-friendly features—simplified licensing, clear guidance, and accessible support for small arms traders and manufacturers.	Tiered compliance thresholds, Green-Digital Trade Academy, Erasmus+ grants
7	**Pilot CBAM-DPP Corridors**	Link trade finance to verifiable ESG metrics for tariff incentives	Possible integration: Digital Product Passports (DPPs) could be integrated with the electronic licensing system for firearms, enabling traceable and verifiable ESG data across the arms supply chain, supporting compliance and modern digital supervision.	DPPs, IoT carbon trackers, CBAM rebate schemes & certificate registry, Single Window
8	**Harmonize e-document laws**	Eliminate legal fragmentation for digital trade documents; enable seamless recognition, processing and traceability across all modes of transport (road, rail, air, sea)	Direct and expanded overlap: Harmonisation with EU e-document laws—including full compatibility with eFTI data sets and digital transport documents (CMR, AWB, B/L, CIM)—is essential for the electronic licensing system. This enables automated, real-time verification of firearm licences and shipments for all transport modes, ensuring regulatory compliance, reducing paperwork, and supporting secure, digital supply chains.	EU Transport Law updates (eFTI, eCMR, AWB, B/L, CIM), UN/UNECE protocols, Legal Harmonization Sandboxes
9	**ESG-linked finance incentives**	Reward sustainable supply chains with cheaper capital	-	InvestEU guarantees, FinTech platforms, CSRD-aligned reporting templates

4. Proposed Amendments to the Commission Implementing Regulation

The proposed amendments are intended to ensure that the **electronic licensing system** is not only effective and secure but also **fully aligned** with the EU's strategic ambitions for a **digital, interoperable, and innovation-friendly Single Market**. By embedding **open standards, interoperability,** and advanced **digital tools** (such as **eIDAS 2.0**, **eFTI**, **DPP**, and **RegTech**), the regulation can deliver a system that reduces **compliance burdens**, increases **transparency**, and future-proofs the regulatory environment against emerging risks and technological shifts. These changes are grounded in **cross-sector experience** and reflect the practical needs of both **public authorities** and **economic operators**.

4.1. Ensuring Future Compatibility with a Potential EU Trade Document Registry (ETDR)

Suggested addition: *To be added to Article 2 (Functionalities of the electronic licensing system) or as a dedicated provision on interoperability.*

> *The electronic licensing system shall be designed using open standards to ensure future compatibility with a potential EU-level Trade Document Registry (ETDR) or similar EU trade supervision platform, should such a system be established.*

Justification: Although the EU Trade Document Registry (ETDR) is currently only a proposal, designing the system for forward compatibility will allow seamless integration with future EU-level trade data repositories. This approach enables secure cross-border data exchange and real-time supervision, should such infrastructure become available. Open standards also reduce future adaptation costs, support the EU's digital public sector objectives, and strengthen efforts to combat illicit arms trade.

4.2. Full Interoperability with Customs, VAT, and Single Window Platforms

Suggested addition: *To be reflected in Article 2(1)(e) and Article 5, explicitly referencing interoperability with the EU Customs Single Window and related platforms.*

> *Ensure the electronic licensing system is fully interoperable with the EU Customs Single Window, VAT in the Digital Age (ViDA), and other relevant digital customs and tax interfaces.*

Justification: Full interoperability with customs and tax platforms will streamline licensing, reduce administrative burdens, and enable more efficient fraud detection and risk assessment for firearms trade. Leveraging existing Single Window and customs frameworks strengthens regulatory compliance and helps prevent illicit movements. This alignment is critical for an efficient, modern, and secure trade environment across the EU.

4.3. Adoption of eIDAS 2.0 Digital Identity Wallets for Authentication

Suggested addition: *To be included in Article 2(1)(a) and/or a new provision on user authentication and identity management.*

> *Future-proof user authentication by enabling the use of Regulation (EU) 2024/1183 (eIDAS 2.0) digital identity wallets for both competent authorities and economic operators.*

Justification: eIDAS 2.0 digital identity wallets offer high security, interoperability, and ease of use, ensuring only authorised users access the licensing system. Their adoption prepares the system for future digital transformation and supports seamless, trusted cross-border operation. This measure aligns with the EU's digital identity policy and enhances protection of sensitive personal and business data.

4.4. Support for Qualified Electronic Seals (e-seals)

Suggested addition, To be reflected in Article 2(1) as a new point (r), and in Article 4 as a new paragraph (6):

The electronic licensing system shall support the use of qualified electronic seals (e-seals), as defined in Regulation (EU) 2024/1183 (eIDAS 2.0), for digitally sealing documents, structured data sets, and machine-generated records issued by competent authorities or legal entities. These seals shall enable automated verification of origin, authenticity, and data integrity across interconnected platforms, including in Internet of Things (IoT)-enabled environments. Furthermore, the system shall recognize and validate qualified electronic seals issued by Qualified Trust Service Providers (QTSPs) listed in the EU Trusted List. Such support shall enable the secure and machine-verifiable attribution of digital documents and real-time data to a verifiable legal entity.

Justification: The inclusion of qualified electronic seals (e-seals) enhances the digital trust infrastructure of the licensing system. E-seals offer cryptographic proof of the origin and integrity of data and documents. They are particularly valuable in IoT-enabled environments, where sensor-generated or automated data must be securely attributed to legal entities without manual verification. This supports trusted data exchange, automated compliance, and legal certainty in cross-border supervision. Together with LEI/vLEI and DPP, e-seals form a core pillar of secure and future-ready digital infrastructure for sensitive goods.

4.5. Integration of RegTech and AI/ML-based Risk Profiling

Suggested addition: *To be added to Article 2(1)(f) and (g), expanding functionalities for risk profiling and supervisory tools*

Incorporate advanced RegTech solutions, including AI and machine learning-based risk profiling, to automate fraud detection and enable real-time, data-driven supervision within the electronic licensing system.

Justification: AI and RegTech tools enable proactive detection of suspicious or high-risk activity, allowing authorities to focus resources more effectively and process low-risk transactions faster. This innovation strengthens the regulatory environment, reduces supervisory costs, and increases transparency in the firearms supply chain. It also supports collection and analysis of supervision statistics in real time.

4.6. SME-friendly Features and Simplified Compliance Pathways

Suggested addition: *To be reflected in Article 2(1)(b) and/or as a general principle under Article 6.*

> *Include SME-friendly features, such as simplified authorisation pathways, clear guidance, and tiered compliance thresholds, in the electronic licensing system design.*

Justification: SMEs are essential actors in the legitimate arms trade and must not be disproportionately burdened by digital transition. Providing streamlined procedures and targeted support enables broader compliance, stimulates innovation, and preserves fair market access, while maintaining robust regulatory oversight. This approach enhances overall system efficiency and effectiveness.

4.7. Harmonisation of E-document Laws and Mutual Recognition

Suggested addition: *To be included in Article 2(1)(l), Article 5, or as a new article dedicated to legal harmonisation and cross-border recognition.*

> *Align the electronic licensing system with EU-wide e-document frameworks and support mutual recognition of electronic authorisations across Member States.*

Justification: Harmonisation with broader EU digital documentation standards is crucial for eliminating fragmentation and ensuring the seamless recognition of electronic firearm licences. This supports paperless administration, accelerates procedures, and increases trust and security among Member States, in line with the Interoperable Europe Act.

4.8. The Need for Transparent Party Identification (LEI/vLEI)

Suggested addition: *To be added to Article 2(1)(b) (registration of persons entitled to request authorisation) and/or Article 4 (access to the system).*

> *Legal entities applying for authorisation shall, in addition to their EORI number, provide their Legal Entity Identifier (LEI) or verifiable LEI (vLEI). The system shall be capable of validating these identifiers to strengthen secure and interoperable identification within the electronic licensing system and support cross-system verification.*

Justification: The use of LEI/vLEI increases transparency and enables more robust supervision of legal entities involved in the firearms supply chain. As LEI/vLEI adoption expands in the EU, this supports interoperability with other digital trade platforms and aligns with the EU's digital policy initiatives. It enhances data security and prepares the system for future regulatory harmonisation.

4.9. Digital Product Passport (DPP) Support for Firearms and Ammunition

Suggested addition: *To be reflected as a new point under Article 2(1), e.g. (o): "the possibility to link or incorporate a Digital Product Passport (DPP) for each firearm, its essential components and ammunition."*

> *The electronic licensing system shall be designed to integrate and support the use of Digital Product Passports (DPPs) for each firearm, its essential components, and ammunition, in accordance with Regulation (EU) 2024/1781 (Ecodesign for Sustainable Products Regulation) and any future delegated acts specific to this sector. This integration shall enable enhanced traceability, market surveillance, and simplified regulatory checks.*

Justification: DPPs provide a secure, standardised method to record and share product information, including origin, specifications, and compliance data. Their adoption in the firearms sector enhances traceability, improves market surveillance, and simplifies regulatory checks, while aligning with broader EU digital and green policy initiatives. Early compatibility ensures the system remains future-proof as DPP requirements are expanded across the Single Market.

4.10. Digital Freight Transport Information and Logistics Integration

Suggested addition: *To Article 2 ("Functionalities of the electronic licensing system"), as a new point (q): "compatibility with eFTI data sets and digital transport documents for all modes of transport, including CMR, AWB, B/L, and CIM."*

> *The electronic licensing system for firearms, their essential components and ammunition shall ensure compatibility and secure data exchange with the data sets*

and requirements established under Regulation (EU) 2020/1056 on electronic freight transport information (eFTI) and its supporting Delegated Acts, covering all modes of transport and related digital transport documents, including road, air, sea, and rail. This interoperability shall enable automated cross-checks and facilitate the real-time verification of authorisations during all stages of transport and transit.

Justification: Since the eFTI Regulation and its supporting Delegated Act establish data sets and procedures covering all major modes of international transport, aligning the firearms licensing system with these standards ensures that regulatory compliance can be verified seamlessly throughout the entire logistics chain. This approach reduces administrative burdens, prevents fraud and unauthorised transfers, and supports EU priorities for secure, digital, and interoperable supply chains. It also makes it possible for authorities to enforce licensing requirements consistently, regardless of the mode of transport.

4.11. Definitions and Interoperability Standards for Advanced Digital Tools

Suggested addition, To be added before Article 2 or as a new Recital or Article 1a in the main text:

***(a) 'Digital Product Passport (DPP)'** means a digital record providing structured and standardised data on a product's composition, origin, lifecycle, and environmental footprint, including data integrity and authenticity mechanisms, as defined in Regulation (EU) 2024/1781 (Ecodesign for Sustainable Products Regulation).*

***(b) 'Legal Entity Identifier (LEI)'** means a globally unique, ISO 17442-compliant identifier for legal entities, governed by a global, accredited operating entity.*

***(c) 'Verifiable Legal Entity Identifier (vLEI)'** means an ISO 17442-3 compliant, digitally signed credential compatible with Regulation (EU) 2024/1183 (eIDAS 2.0), enabling secure and automated entity identification and authorisation, issued by an authorised global operating entity within the LEI ecosystem.*

***(d) 'Electronic Seal (e-seal)'** means a digital attestation that ensures the origin, integrity, and authenticity of data or documents issued by a legal person or public authority. In accordance with Regulation (EU) 2024/1183 (eIDAS 2.0), a qualified*

electronic seal has legal effects equivalent to a physical seal and enables automated, machine-verifiable trust. E-seals can be applied not only to static documents but also to machine-generated data, including data from IoT devices, to ensure that the information is traceable and attributable to a verifiable legal entity without manual intervention.

Justification: These definitions are necessary to operationalise the use of **trusted digital identity systems**, **automated legal entity authentication**, and **product traceability tools** within the firearms licensing framework. Their inclusion provides legal clarity and supports **interoperability** with broader EU digital policy instruments (e.g. eFTI, EU Customs Single Window, and DPP databases). The use of **LEI and vLEI** ensures secure and verifiable identification of legal persons, while the **Digital Product Passport (DPP)** enhances traceability and regulatory surveillance of firearms, their essential components, and ammunition.

The inclusion of **qualified electronic seals (e-seals)**, as defined under eIDAS 2.0, adds a **machine-verifiable integrity layer** for both documents and real-time data. This is especially relevant in **IoT-enabled firearms systems**, smart packaging, or digital supply chains, where data may be generated and transmitted automatically. E-seals allow such data to be cryptographically linked to a known and authorised legal entity, supporting **automated compliance**, **real-time auditing**, and **trusted data attribution** without the need for manual verification.

Together, these trusted digital instruments create a robust foundation for **secure, interoperable, and automation-friendly licensing processes**, suitable for modern, high-risk, and sensitive cross-border trade sectors.

5. Conclusion and Next Steps

The **recommendations** and **proposed amendments** presented in this document are intended to help the European Commission deliver a **FIRE Implementing Regulation** that is **robust, innovative,** and fully aligned with the EU's wider **digital and trade policy ambitions**. By embracing **open standards, interoperability**, and advanced **digital tools**—such as **eIDAS 2.0, eFTI, DPP,** and **RegTech**—Europe can achieve a **digital licensing system for firearms** that enhances **internal security, streamlines compliance**, and lowers **administrative burdens** for both authorities and legitimate economic operators.

We have demonstrated that practical, **future-proofing measures**—such as enabling full integration with **customs and transport data platforms**, supporting **trusted digital identities**, and ensuring compatibility with proposed systems like the **EU Trade Document Registry**—will enable authorities to **monitor, verify,** and **enforce regulations** with unprecedented **efficiency** and **transparency**. At the same time, our emphasis on **SME-friendly features** and **harmonised legal entity identification** supports **fair competition** and **economic participation** throughout the Single Market.

Moving forward, we strongly encourage the Commission to facilitate a **structured and ongoing dialogue** with key stakeholders, including **Member States, industry representatives, technology providers,** and **security experts**. **Pilot projects** and **cross-sector technical working groups** should be launched to test and validate the practical integration of new digital features—particularly around **eFTI, DPP,** and **RegTech solutions**—in real-world regulatory environments.

The **DigitalTrade4.EU consortium** stands ready to **collaborate** on these efforts, sharing knowledge from our pilots and industry initiatives, and working with the Commission to ensure the success of the new licensing regime. We urge the Commission to incorporate our **recommendations** into the final regulation and to continue its leadership in **digital regulatory innovation**. With shared commitment and **proactive implementation**, the EU can set a new **global benchmark** for the **digital regulation** of sensitive goods, combining **security, economic vitality,** and **technological progress**.

Appendix 1. EU Green-Digital Trade Leadership Roadmap (DigitalTrade4.EU, 2025)

Activity	objective	indicative metrics	tools/enablers
1. EU-Singapore DTA & Expand DEPA Partnerships	Strengthen digital trade diplomacy in Asia through high-standard agreements.	- 5+ new digital trade agreements with key Asian partners (e.g., Japan, India, ASEAN) by 2030 - 15% increase in EU-Asia digital services trade by 2028	DEPA framework, EU-Singapore DTA, Global Gateway Initiative, eIDAS 2.0
2. Implement Digital Product Passports (DPPs)	Ensure traceable, sustainable supply chains aligned with EU Green Deal.	- 50% adoption of DPPs by 2030 - 20% reduction in supply-chain carbon intensity by 2030	EU Sustainable Products Initiative, CBAM incentives, UNECE Recommendation 49
3. Fund Secure Digital Corridors in Asia	Build interoperable digital infrastructure for EU-Asia trade, prioritizing cybersecurity resilience	- ~€2B allocated via NDICI-Global Europe - 10+ blockchain-based traceability pilots by 2027	NDICI-Global Europe, ASEAN digital customs systems, EU Customs Data Hub, ENISA threat intelligence platforms
4. Harmonize Digital Standards (MLETR/eIDAS 2.0)	Enable cross-border recognition of e-documents and digital identities.	- 90% mutual recognition of e-signatures by 2028 - 70% SME adoption of eIDAS wallets	MLETR framework, eIDAS 2.0, EU Transport Law updates, UN/UNECE protocols
5. Implement LEI and vLEI for Supply Chain Trust	Harmonise and simplify legal entity identification across borders	- 90% entity coverage with LEI by 2030; 50% vLEI use in customs and eFTI transactions	ISO 17442, vLEI, eIDAS 2.0, UNECE UID
6. Launch Green-Digital Trade Academy	Upskill SMEs and officials on DPPs and carbon accounting.	- 40% increase in SME participation by 2027 - 60% cost savings for SMEs	Erasmus+ grants, COSME programme, tiered compliance thresholds
7. Integrate ESG into Trade Finance	Link trade finance to sustainability metrics for cheaper capital access.	- €10B/year unlocked for green trade finance - 30% lower Scope 3 emissions by 2030	InvestEU guarantees, CSRD-aligned reporting, FinTech platforms
8. Enforce Platform Interoperability	Prevent vendor lock-in and empower SMEs.	- 100% compliance with CJEU rulings by 2026 - 50% reduction in platform dominance	Court of Justice of the European Union (CJEU) Case C-233/23, DEPA, eIDAS 2.0, Digital Markets Act (DMA)
9. Global Digitalisation Projects with EU Standards	Extend EU digital infrastructure and norms globally.	- 20+ co-funded projects by 2030 - 80% interoperability with EU systems	Digital Europe Programme, CEF funding, EU-Asia Digital Standards Taskforce
10. Advance UNECE Transparency Protocols	Globalize EU sustainability standards for supply chains.	- 100% alignment with UNECE Rec. 49 by 2028 - 30% reduction in greenwashing claims	UNECE CEFACT, W3C Verifiable Credentials, EU CBAM registry
11. Pilot CBAM-DPP Corridors	Link trade finance to verifiable ESG metrics for tariff incentives.	- 20% CBAM compliance cost reduction - 50% DPP adoption by 2030	IoT carbon trackers, CBAM rebate schemes, EU Customs Single Window

Table 2. The roadmap above, DigitalTrade4.EU's input to the European Commission's "International Digital Strategy" operationalises the recommendations outlined in this document. For instance, Activity 1 (EU-Singapore DTA & Expand DEPA Partnerships) directly supports the harmonisation of international digital standards, while Activity 8 (Global Digitalisation Projects) aligns with efforts to promote dual-use infrastructure globally. These activities collectively reinforce the EU's ability to leverage digital trade diplomacy as a tool for both economic growth and strategic security.