

Prepared by DigitalTrade4.EU

Input to Liquidity Coverage Ratio Delegated Regulation Amendments 2025

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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 **107 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:

- 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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Executive Summary

The European Union stands at a **critical juncture** to solidify its global leadership in **green and digital trade**. Recent milestones, notably the **EU-Singapore Digital Trade Agreement (DTA)**¹ in April 2025 and the alignment with **UNECE Recommendation No. 49 ("Transparency at Scale")**² on Digital Product Passports (DPPs)³, underscore the EU's pioneering role. These developments reinforce the EU's vision of a **seamlessly interconnected, sustainable, and rules-based global trade system**.

DigitalTrade4.EU advocates for the Commission to intensify international coordination, deepen digital trade partnerships, especially in Asia through the Digital Economy Partnership Agreement (DEPA)⁴, and champion the **global interoperability of laws and standards**—such as the **UNCITRAL Model Law on Electronic Transferable Records (MLETR)**⁵ legal framework and the **EU eIDAS Regulation (eIDAS 2.0)**⁶.

By strategically leveraging the upcoming Multiannual Financial Framework (MFF), the EU can **translate ambition into concrete action**, ensuring that sustainability drives competitiveness and fosters economic resilience across borders.

¹ European Commission. EU and Singapore sign landmark digital trade agreement (May 2025)

https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1152

² United Nations Economic and Social Council. Recommendation No. 49: Transparency at Scale – Fostering Sustainable Value Chains (March 2025)

<https://unece.org/sites/default/files/2025-05/ECE-TRADE-C-CEFACT-2025-03E.pdf>

³ European Union. EU's Digital Product Passport: Advancing transparency and sustainability (September 2024)

<https://data.europa.eu/en/news-events/news/eus-digital-product-passport-advancing-transparency-and-sustainability>

⁴ Digital Economy Partnership Agreement (DEPA)

<https://www.mti.gov.sg/Trade/Digital-Economy-Agreements/The-Digital-Economy-Partnership-Agreement>

⁵ UNCITRAL. Model Law on Electronic Transferable Records

https://uncitral.un.org/en/texts/ecommerce/modellaw/electronic_transferable_records

⁶ European Commission. Discover eIDAS

<https://digital-strategy.ec.europa.eu/en/policies/discover-eidas>

Introduction

Global trade is undergoing a **profound transformation**, driven by the imperative dual green and digital transitions. The European Union, through initiatives like DigitalTrade4.EU, is actively shaping this new landscape, establishing **resilient corridors** for clean energy, infrastructure, and digital services. The recently concluded EU-Singapore DTA is a **breakthrough treaty**, exemplifying the EU's commitment to extending its **rule-based approach beyond its borders**, facilitating secure cross-border data flows, and promoting trustworthy AI while preserving EU privacy and cybersecurity standards.

Concurrently, the EU is **integrating environmental goals** into its trade policy, with tools like **Digital Product Passports (DPPs)** and carbon accounting becoming embedded. The alignment with **UNECE Recommendation No. 49**, which provides a global protocol for sharing supply-chain environmental, social, and governance (ESG) data, further reinforces the EU's vision of **traceable, sustainable trade**.

This feedback document outlines how the EU can **consolidate its green-digital trade strategy** in concert with global partners, building on these foundational advancements.

Expectations from the Commission's Side: The Objectives

The EU Commission's strategic documents, the **Liquidity Coverage Ratio Delegated Regulation**⁷ and **Strategy for making the Single Market simple, seamless and strong (COM(2025) 500 final)**⁸, outline clear objectives for enhancing the EU's economic resilience, competitiveness, and single market functionality. DigitalTrade4.EU identifies the following key expectations from the Commission's side:

- **Revitalisation of Securitisation and Capital Markets:** The Commission seeks to **relaunch the EU securitisation market** to increase financing for the real economy and facilitate funding for EU strategic objectives. This includes addressing the **overly conservative framework** and **inconsistencies** in eligibility criteria and haircuts for securitisations in liquidity buffers, aiming for a **better balance between safety and market development**. The goal is to **diversify credit institutions' liquidity buffers** and **support the depth of EU capital markets**.
- **Strengthening the Single Market:** The "Strategy for making the Single Market simple" highlights the Single Market as a **powerful catalyst for growth, prosperity, and solidarity**, aiming to make it **simple, seamless, and strong**. Key objectives include **removing barriers** (the "Terrible Ten"), boosting **European services markets**, focusing on **SMEs**, ensuring **more effective digitalisation**, promoting **simplification**, and enhancing **effective implementation and enforcement**. The overarching aim is to have a **modernised and digitalised European Market framework in place by 2030**.
- **Leveraging Digitalisation for Competitiveness:** Both documents implicitly and explicitly emphasize the role of digitalisation. The "Strategy for making the Single Market simple" calls for **more effective digitalisation** to boost joint administration and

⁷ European Commission. Amendments to the treatment of securitisation exposures under the Liquidity Coverage Ratio Delegated Regulation, Draft Act

https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14443-Amendments-to-the-treatment-of-securitisation-exposures-under-the-Liquidity-Coverage-Ratio-Delegated-Regulation_en

⁸ European Commission, Internal Market, Industry, Entrepreneurship and SMEs. The Single Market: our European home market in an uncertain world (May 2025)

https://single-market-economy.ec.europa.eu/publications/single-market-our-european-home-market-uncertain-world_en

speed up doing business, moving from a **document-based to a data-based Single Market**. The Commission also aims to use **digital tools** to simplify reporting obligations and ensure compliance.

- **Global Leadership and Strategic Autonomy:** The EU aims to assert its **strong voice globally** and ensure the Single Market acts as a **shield from unfair trade practices**. This includes developing **trusted, sovereign partnerships** that combine sustainability with digital innovation.

Approach and Recommendations

DigitalTrade4.EU's approach is rooted in fostering a **seamlessly interconnected Europe** powered by harmonized standards for the **digitalisation of trade documents and processes**. Our recommendations are structured to directly address the Commission's objectives, leveraging the unique insights from our consortium and aligning with global best practices.

1. Championing Digital Standards and Interoperability

- **Prioritise Global Standard Alignment:** The Commission should **prioritize aligning EU trade policies with global digital standards**, particularly frameworks like **MLETR** and **eIDAS 2.0**. This will promote **cross-border data flows, e-identification, and cybersecurity** while preserving EU privacy standards. Our analysis of MLETR highlights its importance for **enhanced legal certainty** and **interoperability of digital rules** in digital trade.
- **Strengthen Digital Rule Interoperability through Trade Agreements:** The EU-Singapore DTA is a prime example of how the EU can **solidify its influence globally** by embedding EU standards in bilateral agreements. We recommend extending these agreements to other key partners like Japan, South Korea, and Vietnam.
- **Implement Foundational Digital Infrastructure:** The EU should establish a **secure technological infrastructure**, including the **EU Trade Document Registry (ETDR)** and a **qualified electronic ledger** like the European Blockchain Services Infrastructure (EBSI)⁹. This directly supports the Commission's move towards a data-based Single Market.

2. Integrating ESG and Sustainability into Trade Finance

- **Digitalisation of Trade Finance:** The Commission must discuss the **crucial role of trade finance digitalisation** in supporting the EU's efforts in terms of ESG, CSRD, and CSDDD.

⁹ European Commission. Experience cross-border services with EBSI. The first public sector blockchain infrastructure in Europe
<https://ec.europa.eu/digital-building-blocks/sites/display/EBSI/Home>

Digitalisation is expected to **enhance the efficiency and transparency of trade transactions**, making it easier for companies to comply with reporting requirements and access sustainable finance.

- **Incentivise Green Finance:** We recommend providing **additional funding at cheaper rates** to companies boosting their ESG performance. This can be achieved by linking digital solutions to **financial incentives** like Carbon Border Adjustment Mechanism (CBAM) rebates and European Investment Bank (EIB) green loans, which directly increase profitability and resilience.
- **Promote Sustainable and Circular Economy:** The EU should continue to promote the use of **Digital Product Passports (DPPs)** to provide consumers with information on the environmental footprint of products, driving demand for sustainable goods and services. This aligns with the Circular Economy Action Plan (CEAP) and the Ecodesign for Sustainable Products Regulation (ESPR).

3. Strengthening EU-Asia Partnerships and Global Governance

- **Deepen DEPA and DTA Engagements:** The Commission should **deepen partnerships in Asia-Pacific** through DEPA and the EU-Singapore DTA. Extending these agreements to other key partners will enhance **digital and green trade corridors**, integrating EU standards on data, AI, and sustainability into regional markets.
- **Leverage Global Forums:** The EU must **leverage forums like the G7, G20, and WTO** to shape global digital and green trade standards. Championing e-commerce rules and sustainability targets will ensure **EU values on data protection, AI ethics, and environmental accountability are upheld** in global trade governance.
- **Support Global Digitalisation Projects:** The EU should co-fund digitalisation projects in non-European countries through public-private partnerships, leveraging **EU standards and technical frameworks** (financed by CEF, Digital Europe Programme, etc.) to extend EU digital infrastructure and promote interoperability across borders.

4. Addressing Challenges and Mitigation Measures

DigitalTrade4.EU has identified several challenges and proposes mitigation strategies:

- **Data Sovereignty Conflicts:** Advance **interoperable data governance via DEPA**, grounded in General Data Protection Regulation (GDPR). Promote Data Free Flow with Trust (DFFT)¹⁰ using GDPR-compliant sandboxes.
- **Technological Lag and Digital Divide:** Utilise **Global Gateway investments** for connectivity and cloud infrastructure, and expand digital skills through **EU twinning, training, and tech incubators**.
- **Legal Fragmentation for Paperless Trade:** Promote **MLETR** through **EU technical assistance** and regulatory dialogues.
- **Inconsistent Cybersecurity Protocols:** Foster **mutual recognition using European Union Agency for Cybersecurity (ENISA), European Union's updated framework for cybersecurity (NIS2)**, and the Cybersecurity Act. Support incident response training.
- **Gaps in Digital Financial Infrastructure:** Expand e-KYC, open banking, and digital identity via **DEPA-EU sandbox projects**, aligning with the EU Digital Finance Strategy.
- **Limited Circular Economy Integration:** Promote **digital product passports, green finance, eco-design**, and blockchain traceability. Fund pilot projects via Horizon Europe and LIFE.

¹⁰ Digital Agency, Government of Japan. Data Free Flow with Trust (DFFT). (October 2024)
<https://www.digital.go.jp/en/policies/dfft>

Suggestions to Legislation

Based on the proposed amendments to Delegated Regulation (EU) 2015/61 in the Liquidity Coverage Ratio Delegated Regulation document¹¹ and DigitalTrade4.EU's strategic focus on green-digital trade, we offer the following concrete recommendations for legislative refinement:

- **Article 13(2)(a) – Minimum Credit Quality Step (CQS)**
 - **Proposed Amendment Wording:** *"For the purposes of determining the credit quality step of a position, credit institutions shall **incorporate digital verification mechanisms that provide automated and real-time updates** of credit assessments, supplementing traditional external credit assessment institution ratings."*
 - **Justification:** This ensures **real-time transparency** and **reduces potential for cliff effects** triggered by credit rating downgrades, aligning with the objective to address inconsistencies in eligibility criteria. Such digital mechanisms would provide more granular and frequently updated data, enhancing the accuracy of risk assessments.
- **Article 13(g) – Homogeneity Requirements**
 - **Proposed Amendment Wording:** *"Homogeneity requirements shall be met through a **digital-by-default approach for reporting and verification** of underlying asset pools, utilising **standardised, machine-readable data formats** compatible with the EU Trade Document Registry (ETDR)."*
 - **Justification:** This aligns the underlying exposures and homogeneity criteria between the LCR Delegated Regulation and the Securitisation Regulation, which the Commission already aims to streamline for efficiency. Digitalisation will **ease compliance**, enable **automated checks** for originators and supervisors, and **reduce administrative burdens**, thereby enhancing efficiency and transparency of the framework.

¹¹ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14443-Amendments-to-the-treatment-of-securitisation-exposures-under-the-Liquidity-Coverage-Ratio-Delegated-Regulation_en

- **Paragraph 14 – Haircuts for Level 2B Securitisations**

- **Proposed Amendment Wording (Article 14(a)):** *"Where a position has been assigned a credit quality from step 1 to step 4, the minimum haircut of 15 % may be further reduced based on the verifiable **sustainability metrics of the underlying assets, as evidenced through Digital Product Passport (DPP) data under Regulation (EU) 2024/1110 (ESPR) or other certified digital ESG datasets.**"*
- **Justification:** This directly supports the EU's Green Deal objectives by **incentivising environmentally sound securitisations** and channelling more long-term financing towards green projects. It would align financial regulation with the broader EU sustainability agenda.
- **Proposed Amendment Wording (Article 14(b) and (c)):** *"The application of haircuts for positions assigned a credit quality from step 5 to step 7 shall be subject to periodic review by the EBA, taking into account demonstrable **efficiency and transparency gains derived from the mandatory use of digital trade documents (MLETR-compliant) and digital identity solutions on base Regulation (EU) 2024/1183 (eIDAS 2.0)** in the securitisation origination and servicing processes."*
- **Justification:** As acknowledged in the Commission's strategy, effective digitalisation moves towards a data-based Single Market, which inherently **reduces operational and information risks**. Recognising this could lead to lower capital requirements over time, reflecting the reduced risk profile of digitally-enabled transactions.

- **Paragraph 15 – EBA Monitoring of Securitisation Liquidity**

- **Proposed Amendment Wording:** *"The EBA shall monitor the liquidity of securitisations and, in particular, of senior tranches of simple, transparent and standardised traditional securitisations eligible to the liquidity buffer of credit institutions and the implications in terms of lending to the economy. For this purpose, the EBA shall be empowered to **leverage advanced digital analytics and artificial intelligence-driven tools for continuous, real-time oversight of the securitisation market.**"*

- **Justification:** This would allow for **proactive identification of liquidity risks and trends**, moving beyond periodic reporting to **continuous, real-time oversight** of the securitisation market. Such advanced monitoring is critical to ensuring financial stability and supporting the market's depth effectively.
- **Minimum Issue Size (EUR 250 million)**
 - **Proposed Amendment Wording (Addition to relevant articles, e.g., Article 13):** *"Notwithstanding the minimum issue size, where digital platforms and distributed ledger technologies are employed to **aggregate smaller, high-quality securitisation tranches into larger, tradable units**, such aggregated tranches shall be considered for eligibility to the liquidity buffer."*
 - **Justification:** While the minimum issue size aims for secondary market depth, leveraging digital solutions could enable **smaller issuers and niche green assets** to access the liquidity buffer more efficiently. This fosters broader market participation and innovation, in line with the goal of increasing financing available to the real economy, including SMEs.
- **New Article – Digital Bonds & Convertibles (To be added to Regulation (EU) 2015/61 or a related directive/regulation)**
 - **Proposed Amendment Wording:** *"Member States shall ensure that their legal frameworks enable and regulate the issuance and trading of **automated, ESG-linked debt instruments**, including digital bonds and convertibles. This shall encompass provisions for the use of **smart contracts for automated execution** and the integration with **Digital Product Passports (DPPs) on (EU) Regulation 2024/1781 (Ecodesign for Sustainable Products Regulation) for verifiable ESG data and Regulation (EU) 2024/1183 (eIDAS 2.0) for secure digital authentication of parties.**"*
 - **Justification:** This aligns with the "EU Digital Trade & Capital Markets Integration Roadmap" objective to reduce issuance costs and lower interest rates for ESG-compliant bonds. By providing a clear legal basis for these digital instruments, the EU can **enhance efficiency, transparency, and attract more capital** to sustainable finance, directly supporting the revitalization of EU capital markets.

- **New Article – RegTech Supervision Tools** (To be added to Regulation (EU) 2015/61 or a related directive/regulation)
 - **Proposed Amendment Wording:** *"Competent authorities shall develop and adopt **Regulatory Technology (RegTech) supervision tools**, including **AI/ML-powered dashboards and systems linked to the EU Trade Document Registry (ETDR)**, to enhance real-time oversight of capital markets and ESG compliance. Member States shall facilitate the necessary data access and infrastructure for such tools."*
 - **Justification:** This would enhance real-time oversight of capital markets and ESG compliance, aiming for a **50% reduction in supervisory costs** and **80% automated ESG data collection**, as per the roadmap. Legislative backing would facilitate the integration of these tools into supervisory practices, making oversight more efficient and effective.
- **New Article – ESG-linked Finance Incentives** (To be added to Regulation (EU) 2015/61 or a related directive/regulation, potentially as amendments to existing incentive schemes)
 - **Proposed Amendment Wording:** *"To incentivise sustainable supply chains, credit institutions and other financial intermediaries shall be enabled to offer **cheaper capital to businesses demonstrating verifiable improvements in their ESG performance**, supported by mechanisms such as **InvestEU guarantees and dedicated FinTech platforms that align with Corporate Sustainability Reporting Directive (CSRD)-aligned reporting templates**."*
 - **Justification:** This directly supports the objective of unlocking green trade finance and reducing Scope 3 emissions. By embedding such incentives into legislation, the EU can **channel significant private capital towards sustainable practices**, fostering a more resilient and environmentally responsible economy. This also complements the proposed "green premium" haircut reduction for securitisations.

Conclusion and Next Steps

The European Union has a **unique opportunity** to lead the global transition towards a green and digital economy. By strategically aligning its financial resources, legislative frameworks, and international partnerships, the EU can ensure that its Single Market becomes not only **stronger and more resilient internally** but also a **beacon for sustainable and efficient global trade**.

DigitalTrade4.EU reiterates the importance of the **golden triangle of modern trade governance: seamless tech, clear rules, and smart incentives**. The Commission must now **translate these principles into concrete action**, intensifying international coordination, deepening digital trade partnerships, and championing global interoperability. These principles—**seamless technology** (digital infrastructure), **clear rules** (harmonized standards), and **smart incentives** (financial mechanisms)—form the foundation for sustainable trade governance. The successful implementation of the roadmap outlined by DigitalTrade4.EU, with **Digital Product Passports at its core**, will enable a future of trade that is **trusted, transparent, and interoperable**, ensuring a triple win for the planet, people, and prosperity.

Next Steps for the Commission:

1. **Prioritise funding** in the upcoming MFF for digital infrastructure in Asia, SME support, and interoperability initiatives, as outlined in DigitalTrade4.EU's "Funding the Future" section.
2. **Accelerate legislative adaptation** and the rollout of implementation tools, including the EU Trade Document Registry and TradeTech Sandboxes.
3. **Actively engage with DigitalTrade4.EU** and other stakeholders in developing and piloting specific case studies, such as the EU-Singapore DPP Pilot for Electronics and the CBAM Digital Twin for the Uzbekistan-EU Textile Corridor, to demonstrate tangible benefits and inform policy adjustments.

To translate our strategic recommendations into actionable steps, DigitalTrade4.EU proposes the following 11-point roadmap for EU Green-Digital Trade Leadership.

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.	- ~€2B allocated via NDICI-Global Europe - 10+ blockchain-based traceability pilots by 2027	NDICI-Global Europe, ASEAN digital customs systems, EU Customs Data Hub
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 CEFAC, 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 1. 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 with EU Standards) 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.

EU Digital Trade & Capital Markets Integration Roadmap (DigitalTrade4.EU, 2025)

activity	objective	indicative metrics	tools/enablers
1. Establish EU Trade Document Registry (ETDR)	Centralize and secure cross-border trade/ESG data for supervision	- 30% reduction in duplicate filings by 2027 - 100% fraud detection rate	Zero Trust Architecture & cross-border verification (e.g., blockchain-based systems like EBSI), MLETR-compliant systems, PSD3-PSR/FiDA APIs, vLEI
2. Digitalise Tax & Customs Interfaces	Integrate trade, tax, and customs data flows to reduce friction and fraud	- 50% faster customs clearance - 30% reduction in VAT fraud - Full uptake of EU Single Window by 2028	EU Customs Data Hub, Single Window for Customs, VAT in the Digital Age (ViDA), vLEI for trader authentication, eFTI/eCMR linkages
3. Adopt MLETR + eIDAS 2.0	Enable seamless digital negotiable instruments and cross-border recognition	- 70% faster transaction times - 95% SME adoption of e-signatures	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	- 50% reduction in supervisory costs - 80% automated ESG data collection	AI/ML dashboards, Legal Sandboxes, ETDR-linked reporting systems
5. Digital Bonds & Convertibles	Enable automated, ESG-linked debt instruments	- 30% reduction in issuance costs - 20% lower interest rates for ESG-compliant bonds - 100% real-time conversion execution	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	- 40% increase in SME participation - 60% cost savings for SMEs	Tiered compliance thresholds, Green-Digital Trade Academy, Erasmus+ grants
7. Pilot CBAM-DPP Corridors	Link trade finance to verifiable ESG metrics for tariff incentives	- 20% CBAM compliance cost reduction - 50% adoption of DPPs by 2030	Digital Product Passports (DPPs), IoT carbon trackers, CBAM rebate schemes, CBAM certificate registry integration, EU Customs Single Window
8. Harmonize e-document laws	Eliminate legal fragmentation for digital trade documents	- 90% mutual recognition of e-Bills of Lading - 0 paper-based processes	EU Transport Law updates (e.g. eFTI, eCMR), UN/UNECE protocols, Legal Harmonization Sandboxes
9. ESG-linked finance incentives	Reward sustainable supply chains with cheaper capital	- €10B/year green trade finance unlocked - 30% lower Scope 3 emissions	InvestEU guarantees, FinTech platforms, CSRD-aligned reporting templates

Table 2. This table outlines the consortium’s strategic input to the European Commission’s efforts to integrate capital markets through digital trade reforms. Key activities include establishing the EU Trade Document Registry (ETDR) for secure cross-border data, digitalising tax and customs interfaces to reduce fraud, and harmonizing legal frameworks (MLETR/eIDAS 2.0) to enable seamless digital transactions. By prioritizing RegTech supervision tools, automated ESG-linked financial instruments, and SME-friendly compliance frameworks, these initiatives aim to enhance market transparency, lower administrative costs, and align capital flows with sustainability goals. Together, they reinforce the Commission’s vision for a unified, resilient Capital Markets Union underpinned by interoperable digital infrastructure.