

GDPR simplification – Nordic position paper

October 2025

The Nordic national cross-sectorial employer's federations; Danish Industry ([DI](#)), Confederations of Finnish Industries ([EK](#)), Norwegian Enterprise ([NHO](#)) and Swedish Enterprise ([SN](#)) thank the Commission for its work with simplification and stress the importance of this effort for EU competitiveness.

In this position paper we present our common view of businesses' experience related to the GDPR and propose some ideas about how to reduce burdens and strengthen compliance. Our detailed proposals are set out in Annex I to this document.

Background

The focus on regaining the EU's competitiveness with the Omnibus packages is a necessary help for companies that need to balance between increased EU compliance complexity and competitiveness. Not least since companies experience that data protection has become disproportionate, overemphasizing protection where little is needed, hindering innovation where speed and ingenuity matter, and applying high administrative burdens where costs define competitiveness.

The EU's current [SMC Omnibus Proposal](#) introduces changes to the GDPR, by extending the exemption for documentation requirements of low and medium risk processing activities. Although we welcome the changes, we acknowledge the strong need to further simplify the regulation.

Introduction

The reality of European businesses is characterized by increased competition from global players and a deterioration in competitiveness. Excessive regulation is one of the biggest hurdles for the digital economy's competitiveness and growth in EU.¹

The general principles of the GDPR safeguard fundamental rights and ensure customer's trust in digital services and new technology. When done in a proportionate and risk-based manner, innovation and competitiveness can be strengthened.

The GDPR represents a hindrance, a limitation, and a burden on businesses in mainly two ways:

Challenge # 1 Innovation and technology development

The GDPR represents a severe hindrance to innovation and technology by setting absolute limitations for use of data and restricting the use of data for the purposes of developing new products and technology, such as AI models.

Challenge # 2 Administrative burden and cost of compliance

The GDPR puts an enormous administrative and cost burden in the form of documentation and technical infrastructure cost – affecting the general competitiveness of businesses.

According to Draghi's report, the GDPR has slowed down the growth of data-driven businesses in the EU by as much as 15–20 %, specifically in sectors such as the pharma and health technology. In addition, the costs of GDPR compliance may amount to as much as EUR 500,000 for a SME, and up to EUR 10 million for larger organizations.²

¹ [Mario Draghi: The future of European competitiveness](#), September 2024, page 32.

² [Mario Draghi: The future of European competitiveness](#), September 2024, page 319.

A new [research report](#) from Finland, states that the GDPR has cut pharma and biotech R&D spending by up to 39 % within four years. The effect is sharpest for firms operating solely under the strict EU regime, while multinationals soften the blow by shifting data-heavy work abroad. Smaller firms bear the brunt, as compliance costs hit harder relative to scale, widening gaps across companies and regions.³ The effects are visible, as 61% of Danish companies in a report from 2025 found GDPR to be a burden⁴.

EU needs to ensure that European businesses are given the necessary room to develop new innovations and new technologies, be competitive and take part in Europe's transformation to become a leading [AI continent](#).

If we are to regain some of the lost ground, costs and administrative burdens need to be kept as low as possible to get EU-made innovation and competitiveness fit for a global market. In the words of von der Leyen, we need less paperwork, less overlaps, less complex rules.⁵ This would also strengthen legal certainty, compliance and a level playing field.

Challenge #1, Innovation and technology development

More than ever before, data is the key component in creating advanced products and digital services, and high-quality data is essential for developing competitive AI models and solutions. To strengthen European tech capacity, the EU would benefit from a regulatory framework that does not hinder the development of AI-solutions, IoT-products, cloud storage solutions and AI models.⁶ They cannot be developed and improved without access to comprehensive and high-quality training data. De-identified or pseudonymised data is often sufficient for innovation and can be used with minimal or no risk to individuals.

But the combination of a broad definition of personal data (also including highly de-identified data) and the requirements for legal bases and the purpose limitation, significantly restrict collection, sharing, and use of data for innovation and technology development (AI included).

If European businesses are to develop technology such as AI-systems and -models, it must be clarified how (not if) they may process the data they need to develop digital products. Accessibility to high quality data is a prerequisite for EU- competitiveness.

As a solution to the Challenge #1, we propose

- 1) that data should not be treated as personal data if the processing is temporary and if the purpose of the processing is unrelated to identifying the data subject as a natural person.⁷
- 2) processing both regular and special categories (e.g. sensitive) of personal data should not be disproportionately restrictive.⁸ We propose that low-risk processing for R&D purposes, training and use of AI should be deemed lawful as a main rule. Even if such data is special category data since this is crucial to achieve non-biased services and products.
- 3) the balancing test required for legitimate interests should be unnecessary to document in many cases, and this should be explicitly stated in either the regulation or preambles.

³ [Privacy Regulation and R&D Investments: Causal Evidence from Global Pharmaceutical and Biotechnology Firms](#): pages 4 and 21.

⁴ Smarter, simpler regulation, a study of EU regulatory burdens in construction, manufacturing and retail in Denmark, June 2025, p. 14.

⁵ [2025 State of the Union](#) Address by President von der Leyen.

⁶ [Draghi, The Future of European Competitiveness, part A, page 32](#). Stating that “*Fourth, limitations on data storing and processing create high compliance costs and hinder the creation of large, integrated data sets for training AI models*”

⁷ [See prof. Wenderhost's "non personal use of personal data" proposal](#).

⁸ GDPR requires all processing of personal data to have one of the legal bases referred to in article 6, and – if special categories (sensitive) of data is processed, one of the derogations in article 9 must be fulfilled, see [L_2016119EN.01000101.xml](#)

- 4) re-purposing data for product and technology development is challenging under the current purpose limitation principle, which should not be the case. To ensure companies' access to data, further processing of pseudonymised data for product and technology development must be considered a compatible purpose. This should be explicitly stated in either the regulation or the preambles.

Challenge #2: Administrative burden and cost of compliance

The sum of all required GDPR documentation is comprehensive for nearly all businesses. To this adds that authorities issuing guidance are often unable to clarify what is "enough", while also introducing new documentation requirements beyond those that are explicitly mentioned in the GDPR. Examples of this are requirements to conduct Transfer Impact Assessments (TIAs) before any third country transfer and Legitimate Interest Impact Assessments (LIAs) when using legitimate interest as legal basis.

There is a real risk that the documentation requirements will keep expanding in the coming years. This unfortunately increases the already present chilling effect companies exhibit and calls for more pragmatic decision making from EDPB and national authorities.

Documentation requirements that create administrative burden without improving data protection, sometimes serving mainly auditing purposes, are of kind that would benefit from simplification. GDPR's accountability and documentation duties should be more risk-based to reduce paperwork and focus on real risks.

An example of the excessive administrative burden are the provisions and guidelines regarding third country transfers, which lead to irrational accumulative workload and bureaucracy for each company. Another area is data subject's rights. They are important to keep but they need to be proportionate, less complex and less administrative burdensome.

As a solution to the Challenge #2, we propose

- 1) simplification of the documentation requirements in the GDPR and a real risk-based approach to reduce unnecessary paperwork, further improving on the SMC omnibus proposals.
- 2) to limit administrative burdens related to the data subject's rights by making them clear, limited and proportionate.
- 3) to ease the burden on companies through additional adequacy decisions and clear recommendations on data transfers to third countries.

To get further information and more detailed suggestions that we hope could be taken into consideration, please see Annex I to this document.



DI represents 20.000 companies with 650.000 co-workers. EK represents 15.000 companies (96% SMEs) with 900.000 co-workers. NHO represents 33.000 companies with 700.000 co-workers and SN represents 60.000 companies (98% SMEs) with 2.000.000 co-workers.