European Commission

Study about cross-border interoperability of powers and mandates

Executive summary

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Executive summary

Representation powers and mandates are an essential element for businesses establishing relationships with other businesses, governments and customers, because legal persons can only act legally by means of natural persons in most countries. Currently, there are important barriers that hinder the adoption of an EU wide solution for cross-border transfer of representation information, being one of the most relevant the lack of a common legal and semantic framework. Representation is complex, and electronic mandates schemes and policies are basically national and usually do not contemplate the possibility to use those mandates in cross-border scenarios.

To this end, the ISA[2] Programme has launched the Action 2016.12, "Semantic interoperability for representation powers and mandates[1]", whose **main goal is to create a shared European data model about representation powers and mandates**, which allows powers of representation and mandates information originated in the information systems of one country to be directly processed automatically by the information systems in other country.

The results of this action will have substantial impacts on the future development of the Representation Powers and Mandates semantic interoperability study/project overall, and the final results as well as the successful accomplishment of the project objectives will generate a number of benefits for users in the Digital Single Market. As such, EU Institutions and Member States will enjoy:

- More efficient transmission of information about representation powers and mandates between governments;
- A reduction of the administrative burden imposed to legal persons for performing transactions with the governments;
- The creation of a trusted environment for performing fully online transactions between companies across Europe, fostering the Digital Single Market.

On the other hand, European citizens and businesses will benefit from:

- Promoted growth in the creation and provision of cross-border Digital Single Market services;
- A reduction of the transaction costs due to automated identification processes for online interaction;
- Prevention of fraud thanks to the possession of more reliable information about representation when conducting business.

Different phases and activities are foreseen under ISA[2] Action 2016.12 in order to achieve this goal. Within the frame of the ***Study about cross-border interoperability of powers and mandates***, two of the fourth phases of the Action were tackled.

The **first phase** of the study was focussed on the analysis of the state of electronic representation powers and mandates across EU Member States, as well as the identification of the main projects, services and domains that pertain directly to the field of Powers of Representation or complement it. Electronic powers of representation and mandates allow natural and legal persons to act as representatives for other citizens or companies in e-Government services. The electronic nature of the mandates signifies that choosing and assigning a representative for the execution of required actions may be effectuated from a distance, i.e. without the need to physically visit a notary, lawyer or any other professional

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[1] https://ec.europa.eu/isa2/actions/sharing-information-powers-and-mandates-legal-entities_en

providing similar services. Furthermore, the digital aspect of such mandates significantly increases the speed, all whilst reducing the steps needed to give, use and revoke powers of representation. Finally, bearing in mind that electronic mandates are mostly kept in publicly held registries or other forms of electronic memory, their content and effectiveness can be altered almost instantaneously by those who are authorised to do so, in turn suggesting virtually impregnable security features.

The first goal was to establish a short-list of Member States to be assessed, firstly in order to increase the feasibility of the study, and secondly to obtain the desired and most relevant results. The method applied in this case involved in-depth desk research to assess the potential ability of Member States to effectively respond to questions related to electronic powers of representation and mandates. The list comprised 14 Member States (Austria, Belgium, Czech Republic, France, Spain, Italy, Lithuania, Portugal, Slovakia, Slovenia, Netherlands, Luxembourg, Germany and Estonia), and an additional 4 Member States (Greece, Finland, Norway and Sweden) were later added to the list in order to ensure the study's representativeness of current EU practices in representation powers and mandates. The questionnaire was answered by 10 of the 18 Member States contacted, and this input was used in later stages of the study.

The second goal entailed identifying a list of prioritised services, whereby priority is assigned based on the need to use powers of representation and mandates in order to execute the service. In this instance, both desk research and consultations with Member States through questionnaires, were taken into account in order to ensure that only relevant services are incorporated into the final list of prioritised services. An initial list of over 20 services that could require the use of representation powers and mandates was compiled based on the desk research results and classification criteria, which was then further shortened through the analysis of the Member States' input. A service matrix was included as part of the questionnaire sent to Member States, and its aim was to enable respondents to prioritise and short-list services with the greatest need for PoRs in their country's context. Upon analysis of the responses received from Member States, 4 services with common prioritisations across responding Member States were selected for further business case representation. The four services short-listed correspond to registering/opening a business cross-border, submitting a tender for public procurement cross-border, managing a bank account cross-border and declaring corporate tax cross-border. Additionally, a fifth service corresponding to the access to a patient's summary cross-border was identified as an important service requiring PoRs, and is therefore also described through the business case approach.

The third goal revolved around assessing and evaluating the **AS-IS situation** with regards to the electronic powers of representation and mandates in cross-border scenarios for each Member State analysed. The evaluation was completed through a tailor-made assessment framework, partly inspired by the ISA Interoperability Maturity Model. The model assesses MSs' maturity across the EIF LOST layers, and has in turn proven to be of vital significance in the analysis of European PoR systems. Upon having concluded the assessment of the responding Member States, two important revelations were made. The first conclusion pertains to the overall maturity of Member States' electronic PoR capabilities, which currently corresponds to the Applied level (3), i.e. not very mature. The second conclusion revealed that despite the relative immaturity at an overall level, several countries, i.e. the Netherlands, Austria and Finland, stood out as PoR pioneers, which is evident from their respective average scores of (4.1), (4.3) and (3.6). The three highest scoring Member States were chosen for targeted assessment, which in turn revealed that despite the geographic, historic and legal differences, substantial similarities among the different Member States' representation powers and mandates. This suggests that commonalities among the different countries' PoR systems

may be extracted and utilised towards the creation of a universal European PoR and mandate system.

The final objective involved identifying the most appropriate services demonstrating the 4 representation types (Natural-Natural, Legal-Natural, Natural-Legal and Legal-Legal) that exist in Powers of Representation, upon which they were embedded into 4 different business cases (**TO-BE situation)**. Additionally, a fifth service that would strongly benefit from PoRs was identified, and as such corresponds to the access to a patient's summary cross-border. Each business case describes a service in a context where representation powers should be used, and includes an activity diagram demonstrating the main actors and actions required to make use of PoRs, as well as a use case describing the diagrams in a structured format. It is important to note that the business cases are built upon a conceptual framework and therefore lack detailed specifications with regards to the actual functioning of such systems.

Further information on phase 1 can be found in 'Task 01 - Study about cross-border interoperability of powers and mandates' deliverable.

The **second phase** of the study had a twofold objective:

- Identify information requirements of the services, projects and domains taking into scope those which are prioritized by the study conducted during phase 1;
- Identify the solutions available to match these requirements as well as ranking of these solutions by a developed set of feasibility criteria.

By analysing the AS IS and TO BE scenarios, common information requirements, together with other requirements having an impact on the identified information requirements, were defined for the services/projects/domains which allow to use interoperable interconnection of representation information.

The 41 common requirements defined (17 common information requirements, relating to the EIF[2] semantic layer, and 24 requirements having an impact on the information requirements, relating to the legal, organisational and technical EIF layers) set the means to achieve cross-border interoperability of electronic representation and mandates at European level from an information perspective. These requirements have been derived from the analysis of user stories (**TO BE situation**) which state the needs of the main actors involved in cross-border interoperability of powers and mandates: mandator, mandatee and service provider.

The common information requirements cover aspects such as having a comprehensive data model specifying the required attributes and allowing to add new ones to establish an e-mandate, having minimum reference data sets specifying **e-mandate types**, the **specific type of powers**, mandate **purpose**, **sectors**, **roles** and **functions** of the actors as well as attributes to indicate **time** or **country restrictions**.

On the other hand, the requirements having an impact on the information requirements cover aspects such as having **agreements/cooperation** in the field of powers and mandates with other MS, having **cross-border standard processes** allowing fully automated end to end issuing, amendment, usage, on-demand revoking and cross-border checking of the necessary requirements for e-mandates as well as **standard technical requirements** allowing (technology-neutral) fully automated end to end cross-border processing of e-mandates (natural and legal persons). Further information can be found in 'Task 02 - List of common information requirements of the prioritized services/projects/domain' deliverable.

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2 European Interoperability Framework (EIF): https://ec.europa.eu/isa2/eif_en

In a second step, solutions fitting the defined common information requirements have been analysed and ranked in order to present a comprehensive overview of the cross-border representation powers and mandates landscape at a European level.

These solutions have been ranked by assessing the extent to which a solution fits an information requirement and its feasibility. To this end, 24 feasibility criteria have been proposed. These criteria not only assess interoperability but also other aspects such as European regulations and initiatives compliance, user centricity, scalability, reusability, cost-benefit or security-risk assessments. Further information can be found in 'Task 02 - Set of feasibility criteria for solutions which meet the information requirements' deliverable.

As a result, a list of 10 solutions has been proposed. These solutions correspond to the most feasible solutions helping to meet the information requirements listed in D.2.1.a List of common information requirements of the prioritized services/projects/domains.

- CEF Building Blocks[3]
- STORK 2.0 pilot projects[4]
- Business Register Interconnection System (BRIS)[5]
- Core Business Vocabulary[6]
- Core Person Vocabulary[7]
- Electronic Mandate Service: create eMandates via eID - Austria[8]
- Self Service Mandate System (SSMS) - Belgium[9]
- eRecognition (eHerkenning) - The Netherlands[10]
- @Podera - Spain[11]
- Katso Interface - Finland[12]

The solutions contained in the ranked list are classified within the technical and semantic layers, since these solutions provide the essence of software, services and extensible data models that can be implemented as operational solutions. The solutions identified at the other layers are supporting and/or prerequisite to those.

A set of 12 best practices have also resulted from the analysis. These best practices and recommendations advice on aspects that can be considered as next steps towards achieving cross-border and cross-sector interoperability for powers of representation and mandates. These aspects include among others:

1. Develop a common vocabulary for representation of powers and mandates by following documented methodologies such as the Methodology for Developing Core Vocabularies[13].
2. Considering existing solutions involving powers and mandates processes at national level as references to build cross-border solutions.

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3 https://ec.europa.eu/cefdigital/wiki/display/CEFDGTLTEMP/CEF+building+blocks
4 https://www.eid-stork2.eu/index.php?option=com_content&view=article&id=406&Itemid=112
5 https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/BRIS
6 https://joinup.ec.europa.eu/asset/core_business/description
7 https://joinup.ec.europa.eu/asset/core_business/description
8 http://www.digital.austria.gv.at/site/6593/default.aspx
9 https://www.csam.be/nl/beheer-mandaten.html, https://www.csam.be/en/management-mandates.html
10 https://www.eherkenning.nl/inloggen-met-eherkenning/machtigen/
11 https://administracionelectronica.gob.es/ctt/rea/infoadicional#.WP21gGmGOpo,
https://sede.administracion.gob.es/PAG_Sede/ServiciosElectronicos/RegistroElectronicoDeApoderamientos.html#3
12 https://www.vero.fi/en- US/Precise_information/eFiling/Katso_Identification/Power_of_Attorney_for_electronic_filing
13 https://joinup.ec.europa.eu/node/43160

3. Constructing the solution as such that it consists out of different separate modules, which can either all be implemented, or just chosen modules, will also improve interoperability, sharing and reuse of the solution.
4. Starting by sharing, reuse and piloting cross-border solutions between two Member States
5. Communication and involving the shareholders as much as possible in both the development as the implementation of the solution, is key, as this will allow the solution to be enriched by the experience and knowledge of both public and relevant stakeholders. Additionally, this also creates a base for future take-up beyond the current partnership.
6. Building interoperability agreements among Member States to ensure the effectiveness of using harmonised vocabularies and solutions across Europe.

Further information can be found in 'Task 02 - Long list of solutions which fulfil the identified information requirements' and 'Task 02 - Rank of the solutions by feasibility criteria' deliverables.

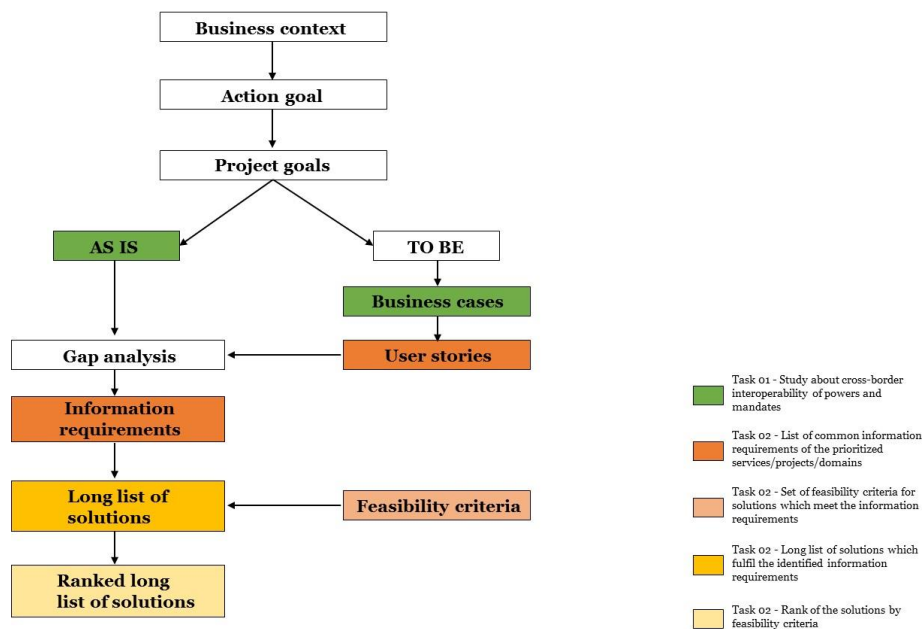The image below depicts the links between the information above presented and the related deliverables.

Figure 1: General approach and deliverables