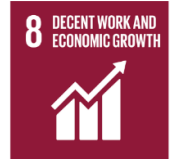




**Chambers
Ireland**
Advancing business together



Position Paper on Digital Simplification Stakeholder engagement

Submission by Chambers Ireland

August 2025

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About Chambers Ireland

Chambers Ireland is an all-island business organisation with a unique geographical reach. Our members are the Chambers of Commerce in the cities and towns throughout the country – active in every constituency. Each of our member Chambers is central to their local business community and all seek to promote thriving local economies that can support sustainable cities and communities.

Questions

What are the digital regulation challenges that you see as the most pressing?

The digital regulatory environment is overly complex and fragmented, especially for SMEs and startups. The lack of clarity around emerging technologies such as AI, data governance and platform regulation creates barriers to adoption and innovation. As such there is a necessity for the AI regulatory Sandbox to be fully implemented without delay which can allow businesses to test new technologies in a controlled environment and streamline compliance pathways for SMEs engaging with digital tools and services.

It is important for businesses that the sandbox will provide certainty and a one-stop shop where they can know that they are working within the law. It is also critical that the AI sandbox is implemented in a way that is conducive to our competitiveness and ensures that this is an easy country to do business in. A key advantage of the sandbox is that it is a balanced and innovation-friendly mechanism. There is a danger in AI regulation that regulatory over-reach will stifle innovation¹.

In addition, with advancements in AI and technology comes great opportunities to scale indigenous businesses. To do this, it is critical that the sandbox is developed in a way which gives certainty to start-ups and scale-up businesses.

Furthermore, there should also be a scale enterprise fund which can ring-fence a proportion of funding for AI and digital start-ups.

Moreover, businesses and entrepreneurs across the country stand to benefit from membership of the EU Unified Patent Court and it is important that a referendum is held with a view to engaging the public positively on the topic. Failure to do so would disadvantage Irish innovators, particularly those in emerging tech sectors like AI, by denying them access to a simplified and cost-effective system to protect their intellectual property.

Our Network advocates for sustained and strategic investment in infrastructure as a cornerstone of the State's economic competitiveness. Infrastructure across transport, energy, water and wastewater treatment, housing, and energy is essential for businesses of all sizes to operate efficiently, scale sustainably and access markets. For indigenous companies in particular, reliable infrastructure is a critical enabler of growth, innovation and development across all regions. Critically, robust infrastructure is essential to the State's ability to attract and retain foreign direct investment (FDI). Such businesses assess infrastructure capacity as a signal of the long-term viability of their operations and workforce mobility. Without consistent delivery of

¹ <https://chambers.ie/wp-content/uploads/2023/03/Consultation-on-the-AI-Liability-Directive.pdf#:~:text=12-,%20Chambers%20Ireland%20Submission%20on%20the%20proposal%20for%20a%20Directive,of%20care%E2%80%9D%20listed%20in%20the>

essential infrastructure, we risk undermining our reputation as a reliable and attractive destination for both homegrown and global businesses.

We welcome the provision for a National AI Office in the AI Act. This Office can allow for cross-departmental engagement to enhance the effectiveness of AI. The national AI Office can be developed in a way which enhances digital literacy – which is an important area for allowing SMEs in particular to fully embrace AI and benefit its productivity gains.

The public sector digital transformation is lagging, which undermines service delivery and business engagement. To alleviate this there must be accelerated digitalisation of public services, including planning, licensing and procurement. In addition, adoption of user-centric design principles to improve accessibility and reduce administrative burden is essential to ensure effective digital transformation.

Which challenge listed below would be particularly relevant for you and why?

Regulatory Overlaps and Inconsistencies

We have consistently advocated for regulatory simplification, especially for SMEs and startups. The presence of multiple risk and reporting obligations, inconsistent definitions across legislation, and fragmented exemptions across the Single Market creates significant compliance burdens and stifles innovation. For this reason, we support the full implementation of an AI Regulatory Sandbox and a centralised digital governance framework to streamline these overlaps and reduce friction for businesses engaging with digital technologies.

Are there other challenges, or simplification suggestions you would like to highlight?

Establish a Unified Digital Compliance Framework

We support simplification to enable SME innovation and reduce administrative and regulatory burdens². There should be the creation of a single, streamlined compliance portal for SMEs that consolidates risk assessments, reporting obligations and regulatory definitions across EU digital legislation. This would substantially reduce duplication and confusion caused by overlapping obligations under GDPR, the Data Act, AI Act, and other frameworks.

² <https://www.eurochambres.eu/wp-content/uploads/2024/12/241210-60-regulatory-burden-reduction-proposals.pdf>

Which actions do you consider the most urgent?

We have consistently identified infrastructure delivery as a key challenge for businesses across all regions of the state. While economic growth continues, the pace of infrastructure development, particularly in housing, energy, transport, and water has not kept up with demand. This shortfall threatens our competitiveness and risks stalling progress unless urgently addressed. Accelerated and reliable infrastructure delivery is essential to support businesses of all sizes and to ensure balanced regional development.

Digital simplification is a national competitiveness imperative.³ We are asking for the sandbox to be implemented without delay for the following reasons:

- A sandbox provides a controlled environment where businesses can test new technologies and compliance strategies without the risk of penalties. This is essential to enable them to innovate confidently.
- With multiple EU laws such as the AI Act, Data Governance Act, and GDPR interacting in unclear ways, a sandbox allows regulators and businesses to co-develop interpretations and compliance pathways. This helps clarify risk-based approaches under the AI Act, definitions like “data intermediation services” and the interplay between horizontal and sectoral legislation.
- An effective and clear sandbox can simplify compliance by consolidating reporting and risk assessment obligations, offering user-friendly tools and templates, and providing regulatory guidance and feedback loops. This is especially valuable for indigenous companies that may lack the resources to manage complex audits and manual data inputs.
- Insights from sandbox participants can inform better policymaking and aid regulators in understanding real-world challenges and adjust timelines, thresholds, or definitions before full-scale implementation. This reduces the risk of gold-plating or inconsistent transposition.

How could these be best implemented?

Streamlined SME Compliance Pathway

³ Reducing the regulatory burden for companies is a point we mentioned in our submission regarding the AI Act:

<https://chambers.ie/wp-content/uploads/2024/07/Public-Consultation-on-National-Implementation-of-EU-Harmonised-Rules-on-Artificial-Intelligence-AI-Act-July-2024-final.pdf>

- Develop a centralised digital compliance portal for SMEs. Consolidate obligations under GDPR, AI Act, Data Act, and cybersecurity frameworks. And offer pre-filled templates, automated reporting tools, and sector-specific guidance. Ensure multilingual and accessibility-friendly design.
- Ensure the National AI Office is sufficiently resourced effectively pursue upskilling in AI for the SME sector. That it can prioritise funding for AI, cybersecurity, and data literacy programmes.
- Partner with industry and education providers to deliver modular, flexible training. Launch targeted upskilling initiatives for SMEs and public sector staff.

Accelerate Public Sector Digitalisation

- Digitise planning, licensing, and procurement processes using user-centric design. Integrate digital identity and e-signature systems for secure transactions. Monitor progress through KPIs tied to service speed, accessibility, and user satisfaction.

Develop Clear National Guidelines for AI and Data Governance

- Publish guidance documents clarifying the interaction between GDPR, AI Act, Data Governance Act, and sectoral laws. Provide sector-specific toolkits for compliance.
- Offer grants and training to support SME adoption of AI and data-driven services.