

May 05, 2026

*RE: Ensuring the adoption of the AI and Digital Omnibus deliver real simplification for startups and SMEs*

*Dear Members of the European Parliament,      Dear Member States,*


On 19 November 2025, the European Commission proposed the AI Omnibus and the Digital Omnibus to promote simplification measures and streamline the current legislative framework. With trilogue negotiations now underway, the Association for Competitive Technology (ACT) wishes to set out its positions on the key issues under discussion.


ACT strongly welcomes and supports the objective of both the AI and the Digital Omnibus as a positive step forward in ensuring a more coherent and predictable regulatory environment that supports European startups and scaleups. In this context, ACT asks the co-legislators to deliver on the Commission's ambition by ensuring that these instruments deliver a single and robust simplification framework that provides tangible reductions in administrative burden, rather than simply reorganising existing obligations.

ACT supports the Commission's proposal for the establishment of **a single reporting mechanism operated by ENISA**, allowing companies to fulfil incident reporting obligations under multiple EU legal acts through a single-entry point.

Startups, scaleups, and small and medium-sized enterprises (SMEs) should be able to report once, through a single-entry point, to fulfil all relevant obligations across EU digital legislation. This 'one-stop reporting' mechanism should apply across frameworks such as GDPR, AI Act, cybersecurity, and other incident reporting regimes. We ask policymakers to ensure this mechanism includes aligned reporting timelines, harmonised documentation requirements, and full implementation of the Once Only Principle, avoiding repetitive and inconsistent submissions across different legal instruments.

To make this system effective, we ask policymakers to remove structural barriers to reporting. This includes clarifying the interplay between different legal instruments and providing practical tools and guidance tailored to the needs of startups and SMEs.

 Square de Meeûs 35  
1000 Bruxelles, Belgium

 +32 2 792 4750

 [www.ACTonline.org/EU](http://www.ACTonline.org/EU)

 /EU-ACT

 @ACTonline

May 05, 2026


---


Regarding the revision of the Artificial Intelligence Act, we ask policymakers to ensure that implementation remains proportionate and workable for SMEs and startups developing AI systems. Clear guidance on classification, risk assessment, conformity procedures, and harmonised implementation across Member States is essential. Companies should not be expected to comply with these high-risk obligations before harmonised standards, guidelines, and compliance tools are available. It is therefore important that the AI Act risk-based approach is preserved by ensuring that only genuinely high-risk AI systems are subject to additional obligations and registration requirements.

Considering the entry into force of obligations for high-risk AI systems in August 2026, we strongly encourage the co-legislators to reach a timely agreement on the AI Omnibus to ensure the delivery of real simplification. Legal certainty is urgently needed for small businesses who are preparing for compliance, and delays in negotiations risk creating significant uncertainty for business who operate in Europe. For these reasons, ACT is calling policymakers to reach a swift agreement to ensure that simplification measures will enter into force before obligations start to apply and avoid an unpredictable compliance landscape.

In this context, ACT supports the European Parliament's approach of integrating AI Act requirements into sectoral legislation for product categories currently listed under Annex I-A. Embedding AI obligations directly into existing sectoral frameworks, covering areas such as medical devices, machinery, and other regulated products, is a more coherent and workable path for SMEs and startups operating in those value chains. This approach reduces duplicative compliance pathways and better aligns with how companies already structure their conformity assessment processes. We encourage co-legislators to ensure that this integration does not lower the bar on safety or fundamental rights protection, and that sectoral authorities are equipped to oversee AI-related obligations effectively.

On the obligation for providers of generative AI systems to make AI-generated content machine-readable and detectable, ACT supports the Council's position of extending the grace period to 2 February 2027. Implementing robust watermarking and content provenance mechanisms requires significant technical investment, and a longer transitional period is essential to allow startups and smaller providers to develop compliant solutions without compromising quality or innovation. A shorter deadline risks forcing premature implementations that may ultimately undermine the transparency goals the obligation is designed to achieve.

 Square de Meeûs 35  
1000 Bruxelles, Belgium

 +32 2 792 4750

 [www.ACTonline.org/EU](http://www.ACTonline.org/EU)

 /EU-ACT

 @ACTonline

May 05, 2026

---

Additionally, ACT urges the co-legislators to ensure the final text provides unambiguous clarity on the division of supervisory competences between the AI Office and national competent authorities. For startups and SMEs operating across multiple Member States, uncertainty about which authority they are accountable to, and for which obligations, creates significant legal risk and compliance complexity. Clear operative-text delineation of roles, robust coordination mechanisms, and practical guidance for companies on how to navigate the supervisory system is key to do business in Europe. The current drafting leaves too much ambiguity, and we ask negotiators to resolve this before final adoption.

Finally, ACT strongly supports the proposed ban on AI systems designed to generate, alter, or manipulate sexually explicit or intimate imagery of identifiable individuals without their consent. This is a clear case where technology is being weaponised to cause direct harm to individuals, and where regulatory intervention is both necessary and proportionate. We welcome the broad alignment between the Parliament and Council on this point and urge negotiators to ensure the final legal text is robustly scoped and enforceable so that it delivers real protection. We look forward to continuing to collaborate with EU policymakers to deliver a simplified compliance and reporting framework that helps SMEs and startups to grow and scale.


Sincerely,




Mike Sax  
Founder and Chairperson

Maria Goikoetxea Gomez de Segura  
Senior Policy Manager

Giulia Cereseto  
Policy Manager

 Square de Meeûs 35  
1000 Bruxelles, Belgium

 +32 2 792 4750

 [www.ACTonline.org/EU](http://www.ACTonline.org/EU)

 /EU-ACT

 @ACTonline