



IOTA Digital Workshop

Digital Identity and eGovernment in the Tax Domain

FEEDBACK

Group Discussion Session 2

*Peer exchange related to digital identity solutions,
challenges and lessons learned*



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Intra-European Organisation
of Tax Administrations

Workshop
22-23 April 2026



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Executive Snapshot

- › **Trust is the core issue**
Domestic onboarding is increasingly digital, the EU Digital Wallets will solve some of the issues, but recognising non-EU foreign individuals and business representatives remains harder legally and technically.
- › **Digital identity already adds value**
Automation, scalability, better service availability and fewer manual errors were highlighted as major gains.
- › **Headline recommendation:**
Further analyse the solutions and proposals presented during the workshop:
 - Focus on interoperability and standardisation
 - Interoperable trust frameworks and trusted lists
 - Standards-based implementation
 - Keep governance, privacy and taxpayer rights at the centre
 - Trusted verification and governance



Standards



Provider trust



Privacy by design



Security management

I. Open discussion on the topics presented in the plenary sessions

- Different approaches are currently implemented - some national legal requirements go beyond what EU-wide interoperable solutions support
- Technology provides solutions, but needed legal and policy alignment
- Security standards matter - ISO-based information security management was mentioned as a way to strengthen trust in providers and exchanges
- Privacy-enhancing technologies exist, further analyse solutions - recognised provider / trusted list / verifiable credential
- Architecture models are useful when they are backed by trusted verification and governance





II. Advantages of tax administrations' digital identity systems

- Eliminates manual work
Digital identity reduces manual onboarding and access management efforts for citizens and companies.
- Handles peak demand
Digital access is essential to cope with major tax-deadline peaks and large volumes of users.
- 24/7 self-service
Taxpayers can access services outside office hours and use guidance tools more effectively.
- Error reduction
Structured digital interactions can improve consistency and reduce manual processing errors.

Overall outcome

Digital identity systems are already becoming a critical infrastructure for efficient modern tax administration.

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III. Challenges for the Next 5 Years

› Immediate challenge

Cross-border identity management is a challenge that needs to be solved “now and not in five years”.

› Operational challenge

Trusted communications and reliable cross-border identity evidence.

› Strategic challenge

Managing provider dependence, privacy exposure and geopolitical risk.

Emerging challenge

› Preparing for AI-enabled monitoring and future quantum impacts.

Final message

Digital identity is already a key enabler of efficient tax administration. The unresolved challenge is cross-border business identity and representation—and solving it requires trust, standards, governance and privacy-conscious design.