



The Evolution of European Trust Service Providers

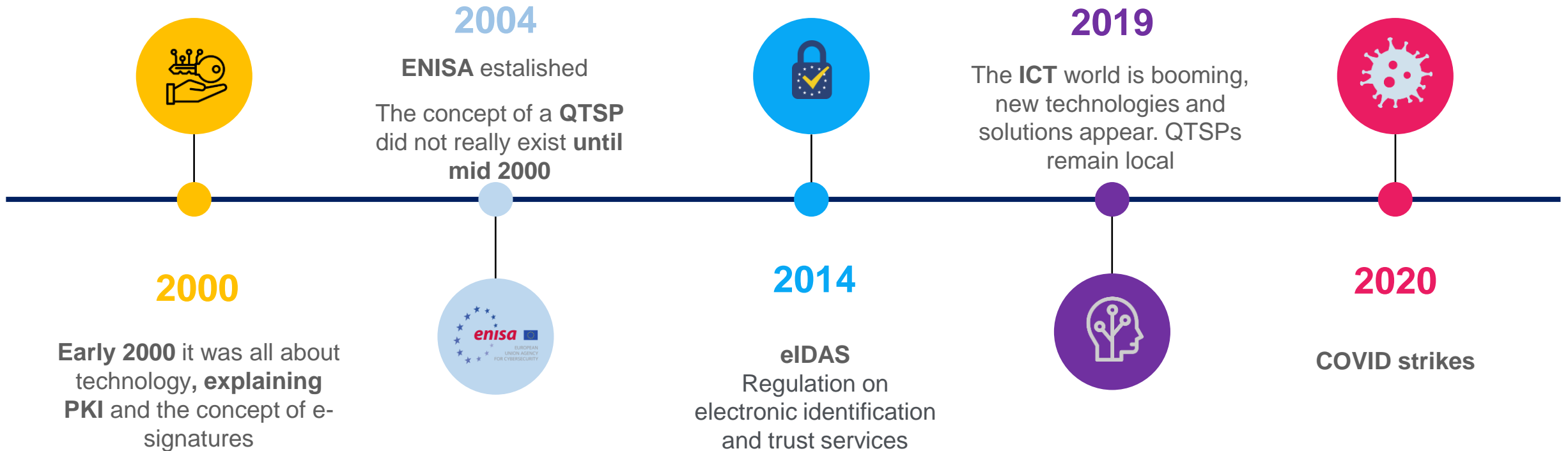
Qualified Trust Service Providers as main pillars of the EU Digital Economy

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Flashback



COVID – Necessity is a ruthless master



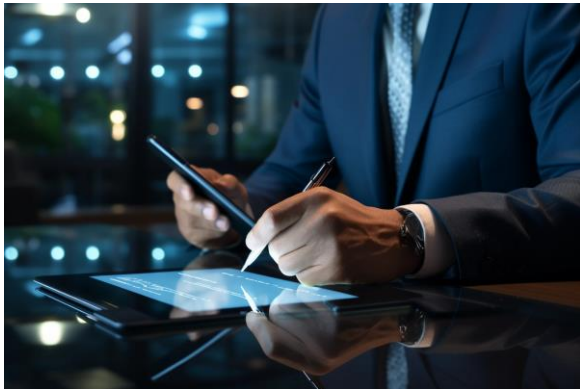
- Sudden change
- EU becomes a law factory
- Regulations tighten and become more strict
- Regulatory ecosystem becomes increasingly complex
- The digital economy is redefined, old paradigms are left behind
- TSPs are just as heavily regulated as the financial industry, yet remain under the radar for lawmakers
- **QTSPs remain within their national borders but cross-border becomes a real necessity**

The New Era of the European Digital Economy



- eIDAS2.0 enters into effect in May 2024
- Dozens of new regulations are in the making or are entering into effect
- EUDI Wallets appear no later than 3 years from now
- The consolidation of the Trust Services market continues with spin-offs, mergers and acquisitions
- Interoperability becomes a priority for Cross-Border Operations
- Concept of the European Qualified Trust Service Providers becomes strong
- Digitalization of countries outside of the EU is fuelled by the trend
- TRUST becomes a life-and-death scenario

TRUST – Foundation of the Digital Economy



Trust is based on
Certain Principles



Both technical & legal
guarantees
need to be assured



Trust Service Providers
are the enablers of the
principles of Trust



They provide the essential
building blocks of the Digital
Economy

Challenges remain for the Trust Services Industry



- Increasingly complex & strict regulatory environment
- Regulatory environment leaves a lot of room for member state individual interpretation
- Very high fixed costs of operation
- Previous Business models might no longer work - SUSTAINABILITY
- New strategies have to be defined
 - *behaviour*
 - *investment decisions*
 - *strong alliances and partnerships*
 - *proactive presence in law making on the EU level is desired*
- Standardization is ongoing and increasingly complex
- Certification scenarios are complex with many unknown factors
- State competition
- Impacts of EUDI Wallet implementations are largely unknown

Strengths

- Strong legacy & over 20 years of industry experience
- Significant investment into infrastructure, network, people and processes
- Well established product portfolio
- Good understanding of the legislative framework
- Knowledgeable staff and expertise on all domains
- In-depth understanding of leading technologies
- Strong financial background
- In-depth understanding of market dynamics

Weaknesses


- Highly regulated markets may lack flexibility and agility to react
- High operating costs
- Deeply rooted in national legislations under supervisory control
- Not used to work internationally (cross-border)
- Unclear objectives for international expansion
- Organizational & operational structure is rigid
- Lack of products able to service international markets
- Slower rate of product development than market evolution

Opportunities

- New eIDAS framework provides for more harmonization
- New qualified services are introduced e.g. EUDI Wallet, Attribute service provision, e-preservation
- Market has a high growth rate (35%)*
- EU Regulatory framework is a de facto benchmark for markets outside of EU e.g. Middle-East, Africa
- Well-established trust services portfolio in countries may serve as benchmark for development in other countries e.g. Italian PEC
- Low interoperability level in the EU represents a future market potential

Threats

- Unfavorable regulatory framework with eIDAS 2.0 in certain cases
- Different interpretation of regulations in Member States creates a Complex and inconsistent regulatory environment
- Member state intervention may distort markets and hinder cross-border functionality
- Quick market evolution allowing for very short times to adapt
- QTSP market remains marginalized in the eyes of regulators
- Unknown business models is a major risk
- Previous investments are at risk by state intervention
- State competition for private QTSPs



**European Qualified Trust Service Providers
become the main pillars of the EU Digital Economy
by providing essential services of TRUST**



Thank you

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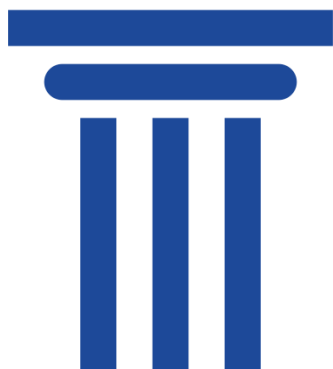


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1. AI Act
2. Data Act
3. Cyber Resilience Act
4. PSD3
5. eIDAS2.0
6. NIS2
7. Cybersecurity Act
8. ViDA
9. Digital Markets Act
10. Digital Services Act

The Four Main Pillars of Trust

Authenticity



Origin is known

Integrity



Data remains intact in time

Confidentiality



Only those who are eligible can access content

Non-repudiation



Legally binding nature of documents & transactions

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