

Invest Europe response to the European Commission consultation on Simplification: digital package and omnibus – DORA comments

Invest Europe is the trade association representing private equity (PE), venture capital (VC), and infrastructure fund managers, as well as their investors, across Europe. Our members are mostly small and mid-sized management companies that play a key role in financing innovative and growing European businesses.

General assessment of DORA for private capital

One year into the Digital Operational Resilience Act (DORA) implementation, our members continue to raise substantial practical, technical, and procedural concerns, signalling systemic misalignment between a banking-centric framework and the realities of fund management.

DORA applies uniformly to entities that differ vastly in scale and complexity, from large banks with tens of thousands of employees to asset managers with teams sometimes fewer than twenty. At the same time, Alternative Investment Fund Managers (AIFMs) already face multiple layers of digital resilience and data-protection rules at international, EU and national level. Without careful coordination and simplification, DORA risks adding another complex layer with limited incremental benefit, particularly for smaller private equity and venture capital managers.

DORA, similarly to other several horizontal regimes, is drafted with business models very different from long-term, closed-ended equity funds in mind. As a result, a number of DORA obligations are not only disproportionate but, in practice, ill-suited or largely irrelevant to the risk profile and operating model of typical PE/VC managers, regardless of whether they manage €600 million or €6 billion of assets.

We support DORA's objective to enhance ICT security and operational resilience. However, the way the framework has been operationalised to date often generates disproportionate administrative burden and legal uncertainty for private capital managers, without commensurate resilience gains. These fixed costs weigh especially heavily on mid-sized managers and can disincentivise them from scaling up or operating cross-border, which runs counter to the EU's objectives for venture and growth finance.

Digital Omnibus and incident reporting

We strongly welcome the Digital Omnibus proposal to amend DORA Article 19, in particular the creation of a single EU-level entry point for major ICT incident reporting and voluntary notification of significant cyber threats.

Current incident and data-breach reporting obligations arise from several EU frameworks (e.g. DORA, NIS2, GDPR, eIDAS) and their national implementation, leading

to overlapping and sometimes inconsistent requirements. A centralised reporting channel and more harmonised formats are therefore highly desirable because they:

- Reduce operational complexity by avoiding parallel and duplicative notifications.
- Improve legal certainty and the consistency of firms' compliance processes.
- Enhance the quality and comparability of information available to authorities, reinforcing supervisory oversight and coordination.
- Allow firms, particularly smaller managers, to focus resources on managing, mitigating and remediating incidents, instead of navigating multiple reporting processes.

We encourage the Commission and ESAs to go as far as possible in aligning incident reporting under DORA with other relevant regimes, and to ensure the single entry point is genuinely user-friendly for entities with limited in-house IT capacity.

In addition, existing strict DORA timelines often do not reflect the operational realities of asset managers with small IT/security teams. We therefore recommend implementing more pragmatic timelines, for example 48 hours for initial reporting and explicit weekend/holiday provisions, which would still ensure timely supervisory information while enabling effective incident response.

Register of Information (RoI) and reporting burden

The Register of Information (RoI) is a central source of burden for our members. The templates and rigid CSV-based format were clearly designed with banking infrastructures in mind and require complex coding and specialised tooling. For many private capital managers, compiling the RoI has meant weeks of highly technical, non-value-adding work, often with additional support from external providers.

At the same time, DORA requires financial entities to review large volumes of documentation from ICT providers, draft and maintain numerous internal procedures, and conduct extensive service-provider reviews. For smaller PE/VC managers with lean teams, this represents a substantial workload for benefits that are sometimes difficult to identify, especially where robust but more pragmatic ICT risk frameworks were already in place. We therefore call for:

- **Simplified and more proportionate RoI content:** Focus reporting on ICT providers and services that support genuinely critical or important functions, rather than exhaustive supplier lists.
- **Flexible, digitally enabled formats:** Enable user-friendly, interoperable formats compatible with mainstream vendor-risk and fintech tools, moving beyond rigid CSV templates that are challenging for smaller firms.
- **Consolidated reporting options:** Allow group or sub-consolidated RoI submissions where appropriate to avoid duplication across related entities.

These adjustments would substantially reduce administrative burden while preserving supervisors' visibility over key ICT dependencies.

Proportionality and governance

Our members' experience shows that DORA's proportionality principle is not yet effectively implemented. In practice, the regime often operates as "one-size-fits-all":

- Smaller managers are required to produce a large number of formal IT and incident-management policies, even where they already had effective, pragmatic cybersecurity frameworks, disaster-recovery plans and regular external audits adapted to their scale.
- The length and volume of documentation and audits divert senior management focus from core investment activities, without clear evidence of materially improved resilience.

The AIFMD €500 million threshold is also used in other legislation, including DORA, to determine when full regimes apply. As we will showcase in the EU venture and growth capital funds reform consultation, this threshold no longer reflects the reality of mid-sized managers and that DORA-driven ICT obligations, as fixed costs, bite hardest for firms just above that line. Some managers report actively avoiding growth beyond the threshold because the step-change in combined AIFMD, DORA and other compliance costs would only be sustainable at much larger assets under management (AUM). We therefore recommend:

- **Enhanced, operational proportionality at Level 2 and Level 3:** ESAs should revise technical standards and guidelines to embed clear thresholds and simplified regimes for smaller and lower-risk entities (e.g. scaled RoI content, lighter resilience testing expectations, simplified governance documentation), making full use of proportionality tools already foreseen in DORA. Proportionality should also take account of business models such as long-term, largely unleveraged, closed-ended PE/VC funds marketing to professional investors, rather than relying on size alone.
- **Clarified and workable board expectations:** DORA places ultimate responsibility for ICT risk management on boards, requiring significant governance oversight, training and resource allocation that smaller teams can struggle to sustain. Tailored guidance should clarify how ICT risk responsibilities can be delegated within firms while maintaining clear accountability, and how supervisory expectations should be applied proportionately to smaller managers.

Third-party and subcontracting oversight

Members also report significant challenges with the breadth of third-party and subcontracting oversight requirements. In practice, they are often expected to obtain and review detailed information from multiple layers of the ICT supply chain, something that is not always feasible or proportionate for smaller PE/VC managers. We propose:

- Limiting mandatory, detailed monitoring to ICT providers and subcontractors that support critical or important functions.
- Providing clearer, practical criteria for determining “criticality”, enabling managers to concentrate scarce resources on genuinely material third-party risks rather than attempting comprehensive oversight of all suppliers.

This would align expectations with actual risk, improve feasibility for smaller entities and free up resources to support productive investment.

Conclusion

The Digital Omnibus proposals on DORA, such as the single EU incident-reporting entry point, are a positive and pragmatic step towards a more coherent, efficient and proportionate digital resilience framework in the EU.

However, broader adjustments are still needed to ensure that DORA is workable for private capital managers and does not undermine the EU’s ambition to boost private investment, innovation and growth. In particular, DORA must better recognise the specific characteristics of long-term, closed-ended equity funds and avoid imposing on them ICT regimes designed for very different business models.

We fully acknowledge that DORA’s application is still in its early stages and that supervisors and firms alike are in a learning and implementation phase. Nonetheless, any future legislative review will take time to negotiate, adopt and apply. It is therefore important to flag once again that, in our view, DORA rules as currently drafted are largely disproportionate to the risk profile and operating model of PE/VC managers, irrespective of AuM.

Against this background, the Commission should seriously consider a targeted exemption or tailored regime for AIFMs managing long-term, largely unleveraged equity funds, or at least a significant scaling-down of DORA obligations for such managers. This approach, based on fund strategy and risk profile rather than size alone, would be consistent with the broader reforms we have proposed for AIFMD/EuVECA/EuGrowth and would help ensure that horizontal digital-resilience rules do not inadvertently constrain the growth of Europe’s venture and growth capital ecosystem.