

Update ESEF

FSMA

AUTORITEIT
VOOR FINANCIËLE
DIENSTEN
EN MARKTEN

AUTORITÉ
DES SERVICES
ET MARCHÉS
FINANCIERS



Algemene vergadering XBRL België VZW

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ESEF in Belgium

Steps taken by the FSMA

December 2020

- opening of ESEF test environment

January 2021

- announcement possibility to **postpone** application of **ESEF**

January 2021

- **Belgian OAM ready** to receive ESEF filings

ESEF test environment

- Issuers can **upload** (draft/test) annual reports (AFR)
- technical **checks** performed by software
- validation **results** file made available to the filer via eCorporate.
 - Warnings
 - errors
 - severe errors → presence of active content (e.g. XBRL viewer)
- **no IFRS** consolidated financial statements = **no validation** of AFR
- **no guarantee** that the annual financial report is technically fully compliant with the ESEF Regulation

Filing specifications at OAM

- AFRs containing consolidated financial statements shall be uploaded as a **zip reporting package**
- AFR that contains **no consolidated** financial statements shall be uploaded as **XHTML-file**.
- **separate** ESEF reporting files for each language used (NL, FR, EN)
- FSMA **recommends** upload of **PDF** as an annex to main document
- **maximum size** of the submitted files is 50 Mb.

Possibility to delay ESEF

- **Announcement** by **FSMA** of possibility to delay ESEF by one year (11/01/2021)
- **Modification to TD** allowing postponement published (26/02/2021) (Regulation 2021/337)
- Still **possible** to publish **ESEF AFR** in 2021 !

Official filing at the FSMA (eCorporate)

- same **validations** as in test environment
- technical validation results will be made **available** to the filer via eCorporate
- **AFRs will be published** on STORI regardless of the errors detected during the validation process!
→ responsibility lies with issuer
- The **official AFR** (under TD) is the **ESEF report**.

ESEF postponement in the EEA

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- **Possibility to postpone** with one year ESEF due to COVID 19.
 - 19 countries notified EU Commission of postponement;
 - 4 other EEA-countries notified intention to postpone.
- List of countries and regular updates can be found at:
https://ec.europa.eu/info/publications/201211-esef-postponement_en or
<https://www.accountancyeurope.eu/publications/esef-guidance/>
- Member States have **until 19 March** to notify the Commission of delay

Challenges for financial information

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- Easy and cheap/free access to financial information of companies from whole over Europe → today national OAMs → tomorrow also **European Single Access Point (ESAP)**?
- **Scope of ESEF**: why not half-yearly reports, quarterly information, result announcements?
- **Learning curve** in Europe to consume ESEF information.
 - Software development within Europe;
 - Commercial software next to open source software to allow small investors/academics to consume ESEF information.

Structured financial information is only a first step

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- **ESG** (Environmental, Social, and Governance) with possible development of **European standards** by EFRAG
- **ESG** with an International Sustainability Standards Board to be set up by the IFRS Foundation and **international standards**.
- Companies that fall within the scope of the **NFRD** will soon have to publish Key Performance Indicators (**KPIs**) disclosing how, and to what extent, their activities qualify as environmentally sustainable under the Taxonomy Regulation
 - for non-financial undertakings a turnover KPI, a CapEx KPI and an OpEx KPI, and
 - for asset managers should disclose (a ratio of investments that are Taxonomy aligned).

Structured financial information is only a first step. On the horizon:

- Development of ESAP, with possible much wider scope of information
- → all those areas are candidates for structured information. ESMA underlined in its advises the added value of information in a structured format.

Disclaimer

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