BPTF meeting with ESMA – November 6, 2019

Present: Roger Haddad, David Bell, Andromeda Wood, Pierre Hamon, Anna Sciortino, Bartosz Ochocki, Michal Skopowski

Meeting notes

- Exchange of views on feedback to the reporting manual. Some comments from ESMA but apparently, they get the questions directly and make specific answers. They asked to receive any feedback as they arise. Therefore, it is not possible for BPTF to follow all feedback received and answers made. We will have to decide of the way we should be working on this.
- Exchange of Feedback on ESEF-ALL taxonomy
  - o Taxonomy matters and translations are considered to be the responsibility of IFRS or NCAs
  - o Validations are the responsibility of NCAs. The point was made that there is a need for a compliance suite.
  - o On many points, ESMA views are that we should be happy to receive ixbrl files and that, with time, quality hopefully will improve! The argument is that SEC has needed 10 years to improve, so ESMA has more than enough time!
- ESMA stressed the point that there is only one file in XHTML that should be published to the OAMs. This comprises the entire annual accounts (doc de ref in France).
- A question around extension labels for core taxonomy items. The RTS says: "In their extension taxonomies, issuers shall not replace the labels or references of core taxonomy elements". The guidance says: "Extension taxonomies should apply preferred labels on presentation links when applicable." These two statements seem to be contradictory.
  - o There was a discussion on whether the standard labels should always be used and no other label present in the label linkbase. The guidance around the preparer labels for IFRS Taxonomy elements may need additional clarification, particularly regarding the use of the preferred label role.
- Another question was about preferred labels of the ESEF taxonomy that are not translated in the EU languages.
  - o ESMA does not plan to translate these labels.
- A question was about a table of figures including non-GAAP numbers presented by an issuer as part of the financial statements.
  - o The answer is that, any table which is not part of the primary financial statements as described by IFRS should not be tagged.
- Are extension members part of the anchoring requirement?
  - o Yes. According to Workiva: anchoring to the domain member.
  - o However, the formal definition in the published XBRL International registry for the wider-narrow role clearly states: *This arcrole is intended for use on reporting concepts, and is not intended for use between domain members or other dimensional components"*
  - o Furthermore, it has been said that it is possible to create new dimensions. In that case, what the does the anchoring mean?
- Extensions by member states:
  - o Not clear whether other taxonomies can be imported in the base taxonomy.
  - o It seems that tagging recommendations for country extensions should remain on paper.
- HTML 4 and HTML 5

- o Not possible to mix files in HTML 4 and HTML 5 in the same filing
- o HTML 4 is compatible with HTML 5
- o It is clear that iXBRL spec is based on HTML 4

- We discussed the need for Guidance from BPTF on labelling and taxonomy extensions for parenthesis information in the statements and footnotes at the bottom of primary statements.
- ESMA workshop in Venice is targeting the software companies and the purpose is to ease the double reporting of FPIs.

Following this meeting and to supplement these comments, it is the views of the BPTF to propose as best practice the following:

[This document is open for comments. Readers are invited to submit comments to the EU Best Practice Task Force.]

Labels:

Missing preferred labels for IFRS elements are allowed to be added to the label linkbase.

In the absence of a preferred label for a given language, it is recommended that tools display the standard label (that will always exist).

Anchoring:

XBRL international has issued guidance on "Using the ESEF rules for anchoring extensions" which is a *public draft*. Readers are invited to submit comments to the Entity Specific Disclosure Task Force.

Member state extensions:

Technically this is not possible due to the conditions on the taxonomy content set out in the RTS. We would suggest that these could be relaxed in future versions if member state taxonomies do become prevalent.

XHTML 1.0 / HTML 4.0:

This standard is a requirement of Inline XBRL and a subset of HTML 5.0.

However full HTML 5.0 cannot be used as it contains features not available in XHTML 1.0 / HTML 4.0 and any resulting documents will be invalid.

Footnote and parenthetical information:

If connected to the primary statements any financial items quoted must be tagged.

This means that there must be corresponding taxonomy definitions defined for all of these items. How and where these items are defined in the taxonomy is at the discretion of the submitter.