



European Securities and  
Markets Authority

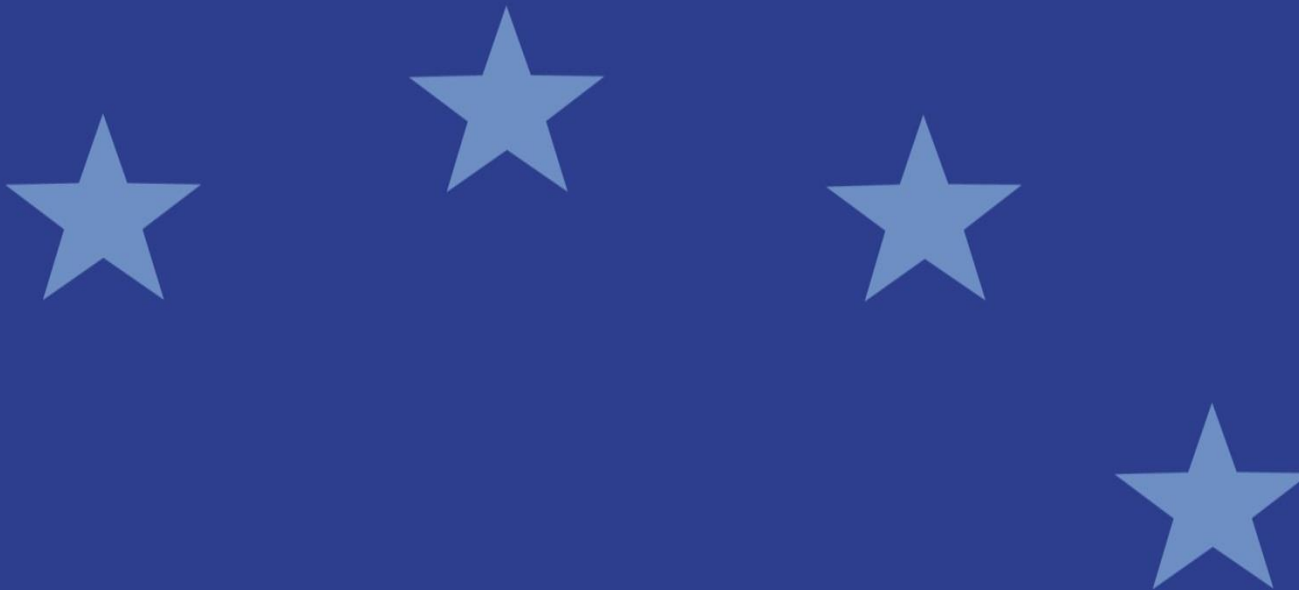
ESMA REGULAR USE

5 February 2020

# The European Single Electronic Format

## XBRL Italy conference on ESEF

Anna Sciortino





# ESEF Mandate for ESMA

ESMA's mandate on the ESEF is contained in the revised Transparency Directive\*

Article 4(7) states that

*“ESMA shall develop draft regulatory technical standards to specify the electronic reporting format”*

Recital (26) points out that:

*A **harmonised** electronic format [...] would*

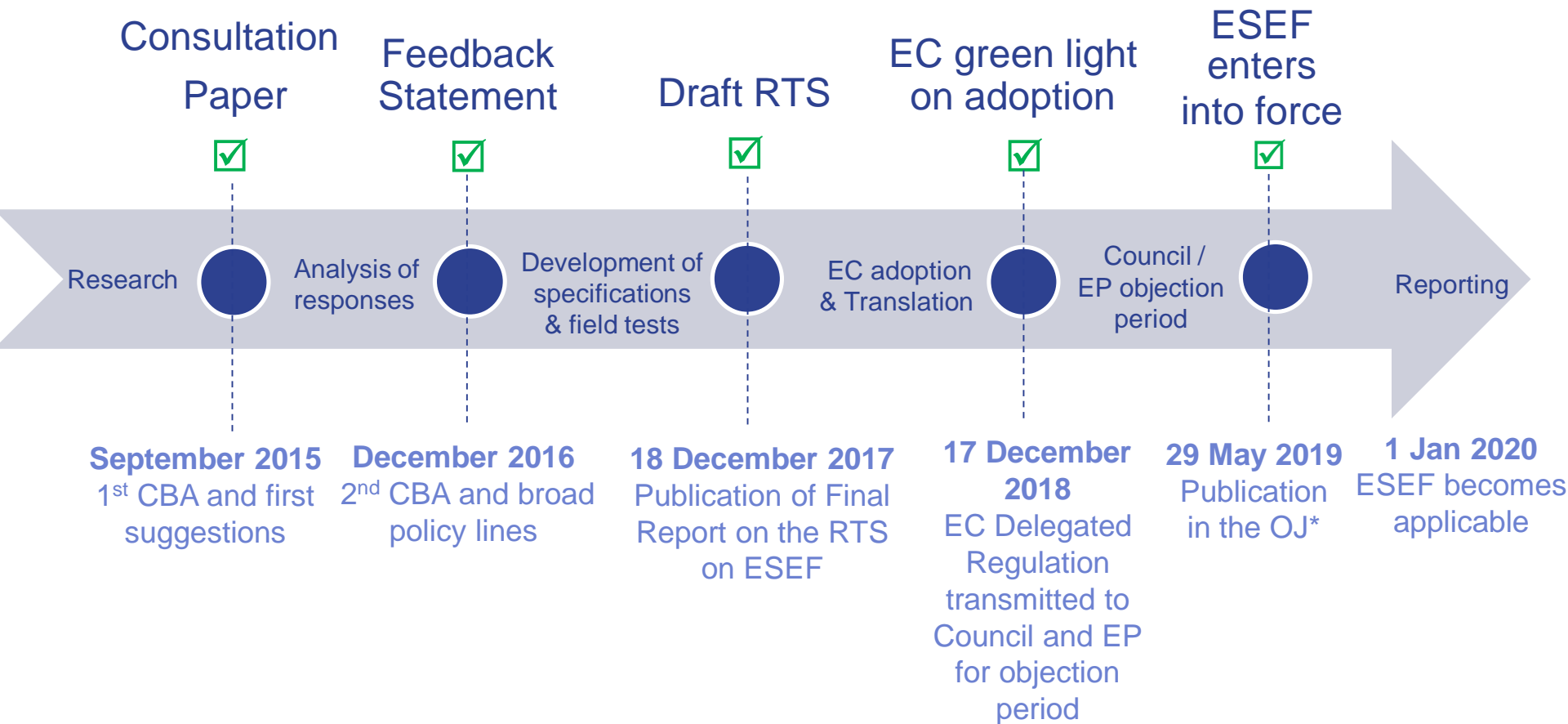
- *make reporting **easier***
- *facilitate **accessibility,***

***analysis***

*and **comparability** of annual financial reports.*

\*Directive 2004/109/EC as revised by Directive 2013/50/EU

# An overview of the development process



\*Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format



# Key requirements of the ESEF

- **From 2020, all annual financial reports shall be prepared in xHTML format**
- **IFRS Consolidated Financial Statements** shall be marked-up with XBRL tags
- **1 document, 2 views:** Tags embedded in human readable document via the *InlineXBRL* technology
- **ESEF Taxonomy** = IFRS Taxonomy incl. limited ESMA customisation
- **Extensions:** only if no existing IFRS tag reflects the intended accounting meaning
- **Anchoring:** extensions shall be linked to the closest taxonomy element
- **Level of tagging:** detailed tagging of primary statements (from 2020), block tagging of Notes (from 2022)
- **ESMA's RTS do not deal with storage and dissemination of regulated information nor with assurance / audit of annual financial reports**

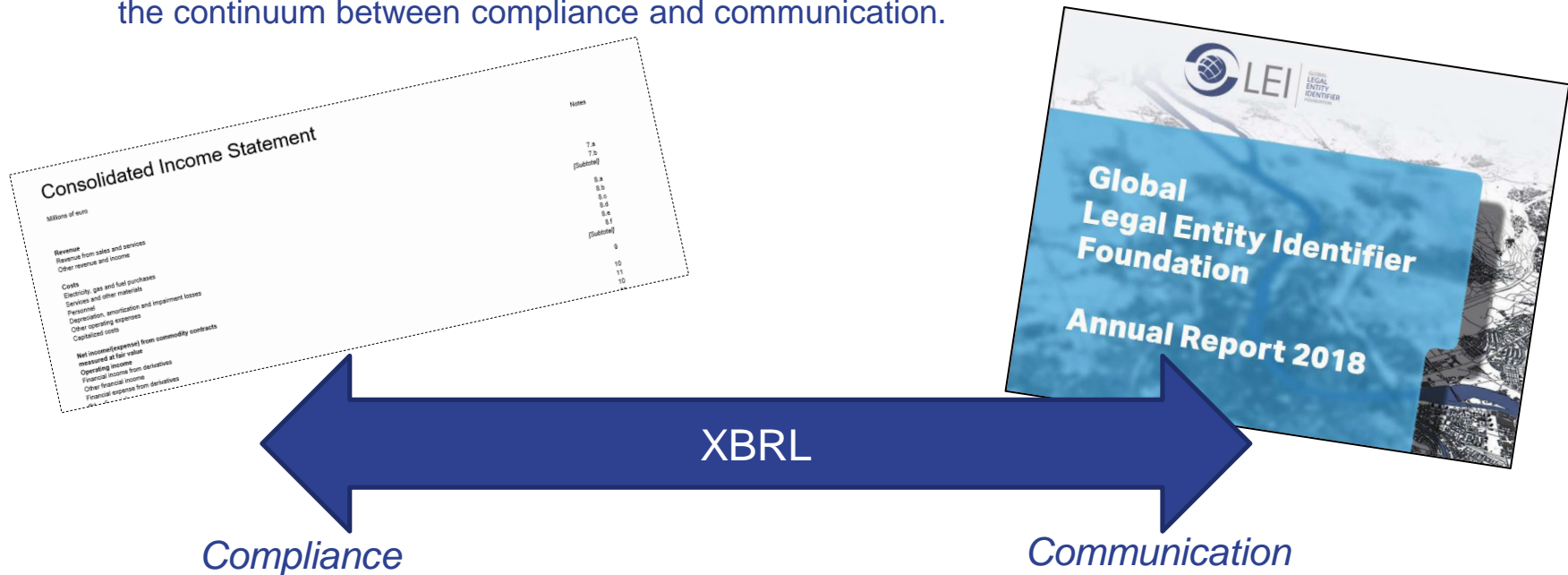


## To whom and when do the ESEF requirements apply?

- To all issuers with securities admitted to trading on regulated markets under the obligation to make public annual financial reports (AFRs) in accordance with Article 4.1 of the TD.
- To AFRs containing financial statements for financial years beginning on or after 1 January 2020.
- Deadline for the publication set out in Article 4.1 of the TD remains unchanged.

# What does the xHTML requirement mean

- The TD states that the Annual Financial Report (AFR) shall comprise of (a) the audited financial statements; (b) the management report (including the Non Financial Statement, if applicable) and (c) the responsibility statements of the persons responsible within the company
- The move of the AFR from paper/ PDF to XHTML format does not constrain design choices nor does the underlying regulation.
- However it does mean that companies need to make the decision about where they AFR sits on the continuum between compliance and communication.





# What does an xHTML file look like

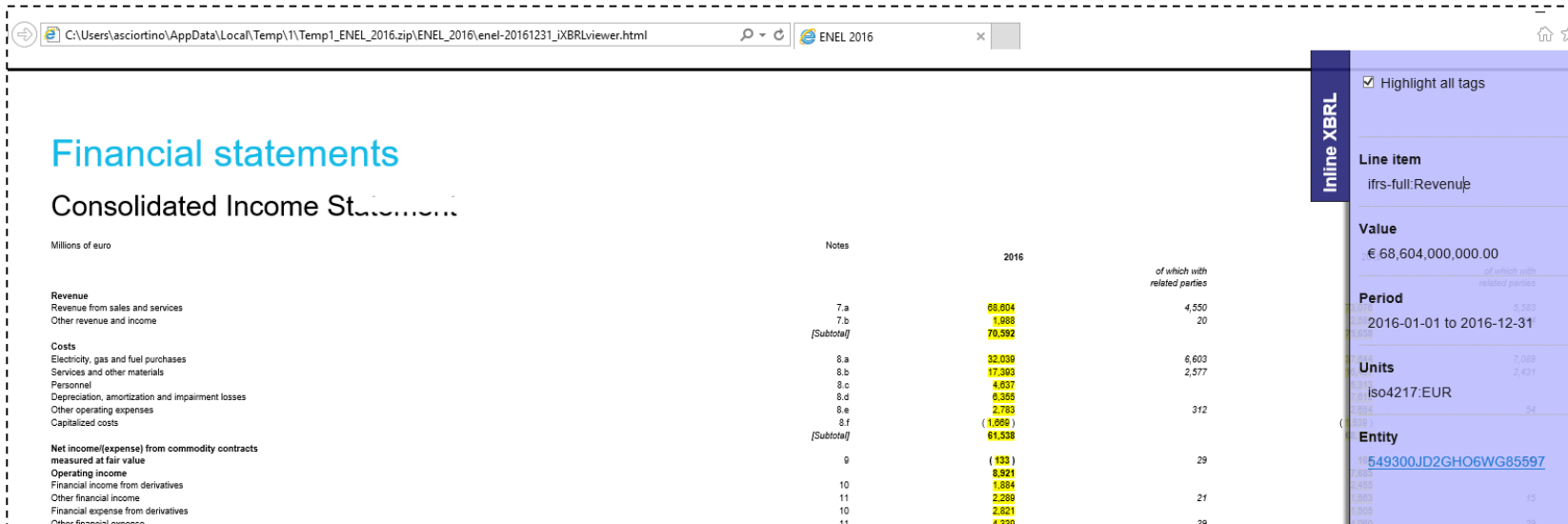
Financial statements  
Consolidated Income Statement

Millions of euro

	Notes	2016	of which with related parties	2015	of which with related parties
<b>Revenue</b>					
Revenue from sales and services	7.a	68,604	4,550	73,078	5,583
Other revenue and income	7.b	1,988	20	2,582	314
	<i>[Subtotal]</i>	<b>70,592</b>		<b>75,658</b>	
<b>Costs</b>					
Electricity, gas and fuel purchases	8.a	32,039	6,603	37,844	7,089
Services and other materials	8.b	17,363	2,577	16,457	2,431
Personnel	8.c	4,637		5,313	
Depreciation, amortization and impairment losses	8.d	6,355		7,812	
Other operating expenses	8.e	2,783	312	2,654	54
Capitalized costs	8.f	(1,069)		(1,539)	
	<i>[Subtotal]</i>	<b>61,538</b>		<b>68,141</b>	
<b>Net income/(expense) from commodity contracts measured at fair value</b>	9	<b>(133)</b>	29	<b>168</b>	<b>(24)</b>
<b>Operating income</b>		<b>8,921</b>		<b>7,685</b>	
Financial income from derivatives	10	1,884		2,455	
Other financial income	11	2,289	21	1,563	15
Financial expense from derivatives	10	2,821		1,505	

... like a standard web page

# What do embedded XBRL tags look like



The screenshot shows a web browser displaying an iXBRL report for ENEL 2016. The main content is a Consolidated Income Statement table. The sidebar on the right, titled 'Inline XBRL', provides details for the selected 'Revenue' tag, including its value (€ 68,604,000,000.00), period (2016-01-01 to 2016-12-31), units (iso4217:EUR), and entity (549300JD2GHO6WG85597).

Millions of euro	Notes	2016	of which with related parties
<b>Revenue</b>			
Revenue from sales and services	7.a	68,604	4,550
Other revenue and income	7.b	1,888	20
	[Subtotal]	70,592	
<b>Costs</b>			
Electricity, gas and fuel purchases	8.a	32,039	6,603
Services and other materials	8.b	17,393	2,577
Personnel	8.c	4,037	
Depreciation, amortization and impairment losses	8.d	6,355	
Other operating expenses	8.e	2,783	312
Capitalized costs	8.f	(1,696)	
	[Subtotal]	61,338	
Net income/(expense) from commodity contracts measured at fair value	9	(133)	29
<b>Operating income</b>		8,821	
Financial income from derivatives	10	1,884	
Other financial income	11	2,289	21
Financial expense from derivatives	10	2,821	
	12	6,759	29

- In an iXBRL report, the XBRL tags are “hidden” within the xHTML document → it is an additional layer of information, which makes the document machine-readable other than human readable.
- The tags can be visualised using, for example, an Inline XBRL Viewer, which allows to display the tags (the purple banner) when clicking on a certain tagged element.
- Please note that preparers must not include the Inline XBRL Viewer in their filings (see ESEF Reporting Manual, Guidance 2.5.1)





# Level of tagging required by ESEF RTS

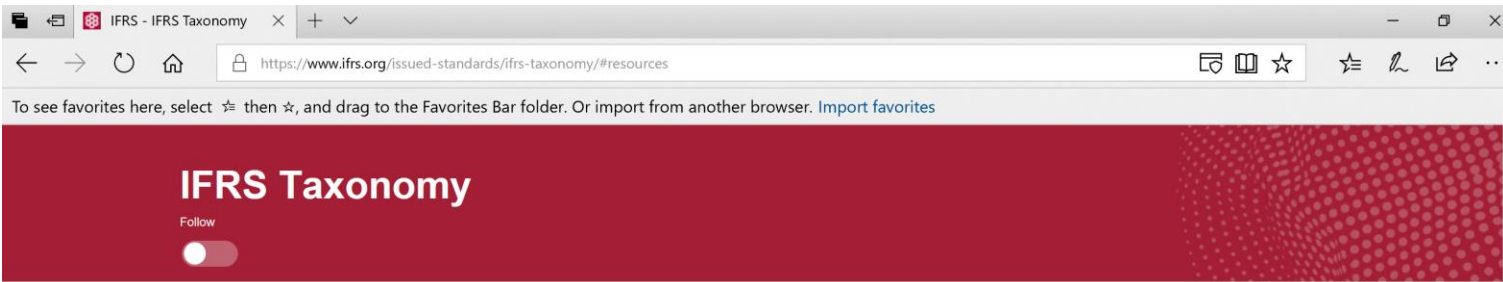
	IFRS consolidated FS	Individual financial statements	3rd country GAAP FS
Primary financial statements	<b>mandatory from 2020*</b>		
Block tagging of notes	<b>mandatory from 2022</b>	<b>Only if Member States provide a taxonomy</b>	<b>Not possible</b>
Detailed tagging of notes	<b>voluntary</b>		

\* On top of this, a small number of mandatory mark-ups will be applicable from 2020.



- The ESEF Taxonomy contains the same accounting concepts as the IFRS taxonomy
- In addition, it includes labels in all EU languages and a limited number of technical customisations
- The ESEF Regulation & XBRL Taxonomy files will be **updated yearly** on the basis of IFRS taxonomy updates.

# Resources available on the IFRS Taxonomy



## General resources

We have developed the following supporting and educational materials to aid understanding and use of the IFRS Taxonomy.

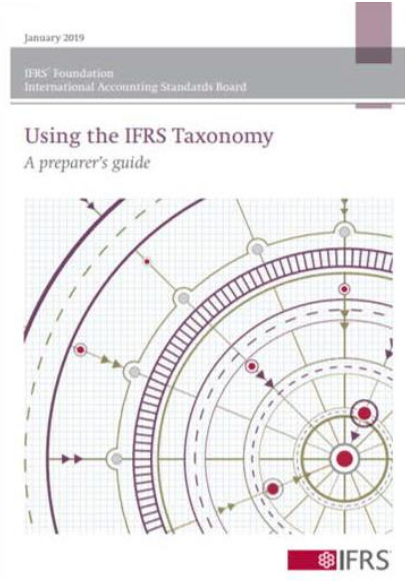
- + [Browsing the IFRS Taxonomy](#)
- + [Understanding IFRS Taxonomy Updates](#)
- + [Filing with the IFRS Taxonomy](#)
- + [Working with the IFRS Taxonomy](#)

Share

## IFRS Taxonomy illustrated

IFRS/ISSB General information about financial statements	IAS/ISSB	IASB/ISSB
Disclosure of general information about financial statements (Short texts)	IAS 1	IASB/ISSB
Balance of opening equity or other source of identification	IAS 1	IASB/ISSB
Explanation of change in items of reporting entity or other means of identification from end of preceding reporting period	IAS 1	IASB/ISSB
Identification of nature of financial statements	IAS 1	IASB/ISSB
Date of end of reporting period	IAS 1	IASB/ISSB
Period covered by financial statements	IAS 1	IASB/ISSB
Identification of presentation currency	IAS 1	IASB/ISSB
Level of rounding used in financial statements	IAS 1	IASB/ISSB
Disclosure of breakdown of financial statements or components thereof	IAS/ISSB	IASB/ISSB
Requirement of financial position (balance sheet)		
Equity (net worth)		
Non-current assets (intangible)	IAS 1	IASB/ISSB
Property, plant and equipment	IAS 16	IASB/ISSB
Investment property	IAS 40	IASB/ISSB
Goodwill	IAS 38	IASB/ISSB
Intangible assets other than goodwill	IAS 38	IASB/ISSB
Intangible assets measured at fair value	IAS 38	IASB/ISSB
Intangible assets measured at cost	IAS 38	IASB/ISSB
Trade and other non-current receivables	IAS 39	IASB/ISSB
Non-current liabilities	IAS 39	IASB/ISSB
Deferred tax assets	IAS 12	IASB/ISSB
Current tax assets	IAS 12	IASB/ISSB
Current tax liabilities	IAS 12	IASB/ISSB
Other non-current financial assets	IAS 39	IASB/ISSB
Other non-current financial liabilities	IAS 39	IASB/ISSB
Non-current tax assets (eligible for offset) for which transferable tax right is combined with a liability or a receivable	IAS 12	IASB/ISSB
Trade receivables	IAS 39	IASB/ISSB
Trade and other current receivables	IAS 39	IASB/ISSB
Current tax assets	IAS 12	IASB/ISSB
Current tax liabilities	IAS 12	IASB/ISSB
Other current financial assets	IAS 39	IASB/ISSB
Other current financial liabilities	IAS 39	IASB/ISSB
Cash and cash equivalents	IAS 39	IASB/ISSB
Current tax assets (eligible for offset) for which transferable tax right is combined with a liability or a receivable	IAS 12	IASB/ISSB
Trade payables	IAS 39	IASB/ISSB
Trade and other current liabilities	IAS 39	IASB/ISSB
Current tax liabilities	IAS 12	IASB/ISSB
Other current financial assets	IAS 39	IASB/ISSB
Other current financial liabilities	IAS 39	IASB/ISSB
Equity and liabilities (Statement of Financial Position)		
Equity (net worth)		
Reserves	IAS 1	IASB/ISSB
Retained earnings	IAS 1	IASB/ISSB
Other reserves	IAS 1	IASB/ISSB
Trade payables	IAS 39	IASB/ISSB
Trade receivables	IAS 39	IASB/ISSB
Other payables	IAS 39	IASB/ISSB
Other receivables	IAS 39	IASB/ISSB

## Preparer's Guide

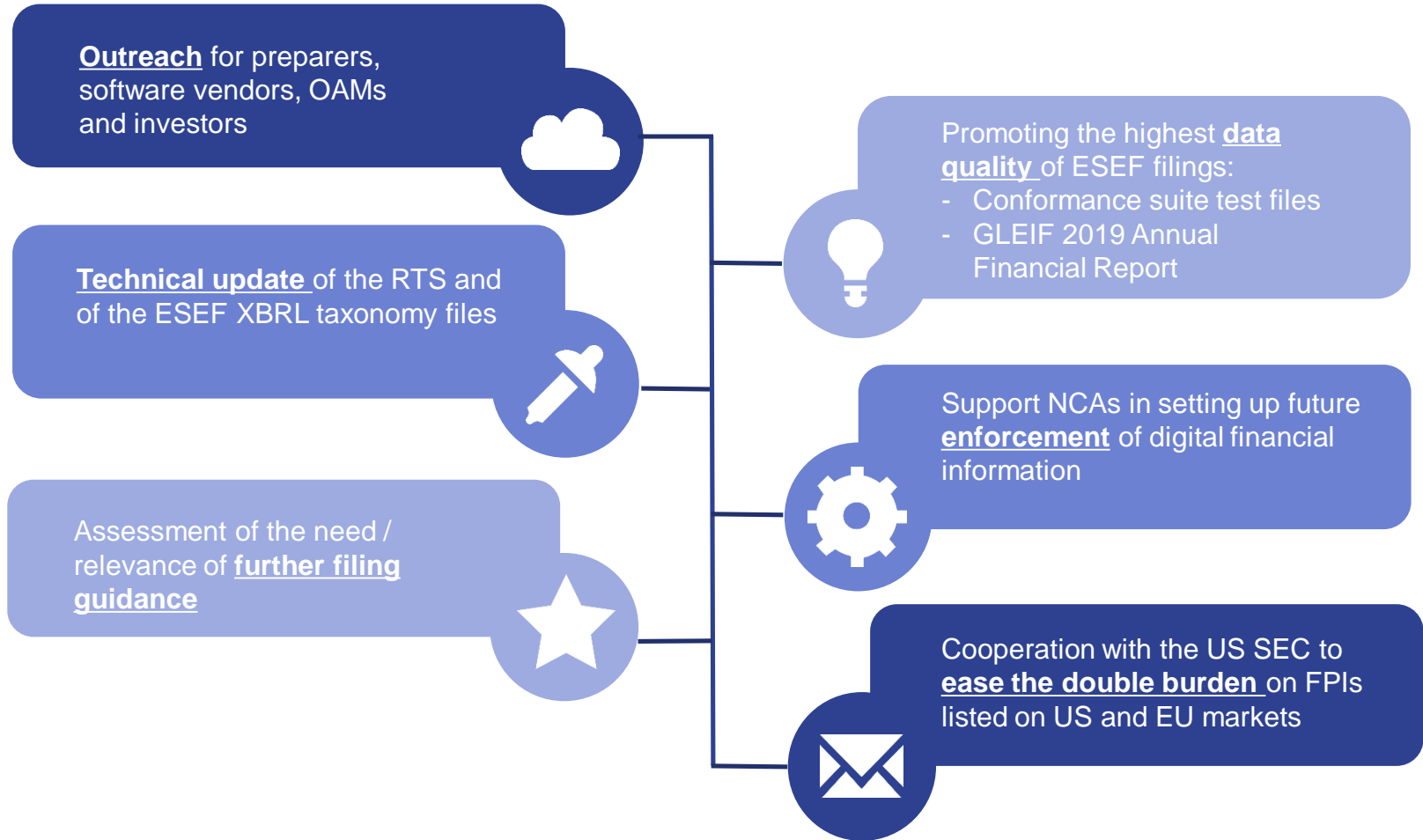




## **What filing obligations apply for AFRs prepared on the basis of the ESEF Regulation?**

- No change in the filing obligations contained in the Transparency Directive.
- AFRs in ESEF format will be:
  - filed to NCAs via the existing Officially Appointed Mechanisms (Article 19 and 21 of the TD), and
  - disseminated to media operators (Article 21 of the TD)

# ESMA's activities in 2020





Thank you for your attention!



## To find out more

On ESMA's website:

- The ESEF webpage <https://www.esma.europa.eu/policy-activities/corporate-disclosure/european-single-electronic-format>
- Video tutorials on ESEF : Video 1 <https://www.youtube.com/watch?v=IOg9ETFpAhg>  
Video 2 [https://youtu.be/FImK-\\_H2x8w](https://youtu.be/FImK-_H2x8w)  
Video 3 <https://www.youtube.com/watch?v=63ASc8k3Jcc&t=36s>
- [The ESEF Reporting Manual \(ESMA32-60-2540\)](#)
- The Final Report on the draft RTS on ESEF (ESMA32-60-204)
- The [Feedback Statement](#) on the Consultation Paper on the RTS on ESEF (ESMA/2016/1668)

On the IFRS Foundation website:

- General resources on the [IFRS Taxonomy](https://www.ifrs.org/issued-standards/ifrs-taxonomy/#resources) <https://www.ifrs.org/issued-standards/ifrs-taxonomy/#resources>
- [Using the IFRS Taxonomy : A Preparer's Guide](#)
- IFRS Taxonomy [illustrative examples](#)