

XBRL EUROPE

**25th XBRL EUROPE
DIGITAL WEEK**

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How to find your way around ESEF implementation approaches ?

A quality evaluation framework for ESEF solutions



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How to find your way around ESEF implementation approaches ?

Outsourcing via a
Software company

Outsourcing via a
Consulting firm

Outsourcing via a
Design agency

ESEF
Software solution

Disclosure Management
Software solution

Mixed
approach



Criteria #1: Suitability of your ESEF approach

1a. Completeness:

Can I do everything I need to do with this approach ?

- XBRL modelling: ESEF Reporting Phase 1 (2020)
 - For each company (standard set of PFS):

Statement of financial position

- The simplest Use Case (*element at the row level, periods at the column level*)
- Good first contact to introduce the mapping/tagging (modelling)

Convenient for tool demonstration ;-)

Statement of comprehensive income, profit or loss, statement of cash flows

- More business complexity (*more extensions, need of looking for elements outside the standard lists of elements proposed for each statement, management of sign*)

Convenient for challenging the mapping/tagging expertise

Statement of changes in equity

- More modelling complexity (*multi-dimensional tables requiring multi-dimensional modelling : elements + period + axis both at the row level and at the column level*)

Convenient for challenging the mapping/tagging tool capabilities

- For some particular sets of PFS:
 - Extensions required also for dimensions (extended members), Dimensional mapping for some particular lines, dimensional modelling for specific columns of the statement (Ex: Multi-columns Balance Sheet)

Mapping example: statement of changes in equity

En Milliers d'euros	Capitaux propres part du Groupe					Minoritaires Partici-
	Capital	Primes	Autres Réserves	Réserves consolidées et Résultat	Total	
Capitaux propres au 01 JANVIER 2018	24000	858	53306	6015	84179	
Affectation du Résultat 2017			1767	-1767		
Mouvements Titres en autocontrôle				6245	6245	
Dividendes distribués en 2018			-1680		-1680	
Retraitement réserves consolidées				-308	-308	
Variation de périmètre				-197	-197	
Résultat consolidé 2018				5402	5402	
Autres éléments du résultat Global : Ecart de change				811	811	
Résultat global de la période				6213	6213	
Capitaux propres publiés au 31 DECEMBRE 2018	24000	858	53306	16201	94452	
Impact changement de méthode comptable (IFRS 16)				-2	-2	
Capitaux propres retraités au 01 JANVIER 2019	24000	858	53393	16199	94450	
Affectation du Résultat 2018			2150	-2150		
Mouvements Titres en autocontrôle						
Dividendes distribués en 2019			-1784		-1784	
Retraitement réserves consolidées				-160	-160	
Variation de périmètre				-25	-25	
Résultat consolidé 2019				5076	5076	
Autres éléments du résultat Global : Ecart de change				231	231	
Résultat global de la période				5307	5307	
Capitaux propres au 31 DECEMBRE 2019	24000	858	53839	19171	97868	

Cell summary

COMPLEMENT REPLACE

EN

Primary item

Equity

Monetary Instant Credit

(Inherited) Details

Dimensions

Components of equity [axis]

String Duration Null

(Inherited) Details

Reserve and profit or loss

Extension Member Duration Null

(Inherited) Details

Context and format

Period end: December 31, 2018

(Inherited)

Criteria #1: Suitability of your ESEF approach

1a. Completeness:

Can I do everything I need to do with this approach ?

- XBRL modelling: ESEF Reporting Phase 2 (2022)
 - Is my approach able to deal with Block tagging of the notes ?
 - Will it generate extra-costs in your ESEF approach in 2022 ?
- Digitalisation of the report
 - Is the web version of my report really compliant with the iXBRL format ?
 - What is the impact of moving from historical PDF to a digital format in terms of quality of my report (content and design) ?

Expected answers to these 4 questions: YES – NO – YES - NONE

Criteria #1: Suitability of your ESEF approach

1b. Correctness:

Does the approach perform its job reliably ?

- Some checkpoints:

- Is your approach relying on XBRL Certified Software ?



- Is your approach relying on a solution having dealt with the ESEF Conformance Suite ?
 - Are you able to have a look at the expected output = the taxonomy package ?
 - Taxonomy package (from business point of view) = the legal ESEF report that you will publish and send to your authority
 - Taxonomy package (from technical point of view) = set of files including your ESEF report in iXBRL (xHTML embedding XBRL data) + your extension taxonomy
 - Are you able to evaluate the capability of your approach to deal with your particular use case ? (ex: proof of concept)

Criteria #1: Suitability of your ESEF approach

1c. Appropriateness:

How much of the approach is relevant to my needs ?

- One way :



Notepad
Desktop app

A text editor is « technically sufficient » to produce the expected files !
Is it appropriate ?

- What are the tools used in my approach (even in case of outsourcing) ?

Some ESEF tools approaches for the tagging / mapping (XBRL modelling)

- Excel add-ons
- Technical XBRL tools adapted to ESEF
- Business user oriented application

NB: Is the tagging of the data an additional step after having created the taxonomy or is it done simultaneously ?

Some ESEF tools approaches for the xHTML production

- Conversion to xHTML of already prepared reports from various formats (PDF, Word, HTML, InDesign...)
- Word add-ons to prepare the report
- Collaborative solution to edit the report
- Collaborative solution to design the report
- Collaborative solution to edit and design the report

Criteria #2: Reliability

2. Reliability

Am I convinced that my approach will enable me to produce my ESEF reporting on time

- **Maturity** of the providers – **Maturity** of the solutions
 - How long is my provider working on regulatory reporting / XBRL reporting ?
 - How long is my provider working on ESEF ?
 - Number of client references ?
- **Availability** of the approach
 - How will your providers anticipate the fact that most of the companies will ask for support in the same reduced period of time ?
 - Guarantee that the solution will be ready for ESEF reporting both for 2020 and for the following years
 - Possible access to the required tools ? (COVID-19 experience for the production of 2019 Annual Financial Reports)

Criteria #3: Usability

3. Usability:

Am I able to produce my ESEF reporting with effectiveness, efficiency and satisfaction ?

3a. Accessibility:

- Which degree of expertise do you need to use this approach?

Pay attention: The answer can't be « NONE »

As an issuer, you will be responsible of the ESEF reporting that you will publish



- You (or your financial department) need to be able to justify the XBRL mapping/tagging choices that have been made
- You (or your communication department) need to be able to check the technical compliance of the web report that you will publish

NB: ESEF reporting will be audited → if you don't have the minimum of skills on what has to be done, you risk to have to pay extra man-days to your auditors to be trained at the very last minute

- Keep in mind the “Statement of changes in equity” example

Criteria #3: Usability

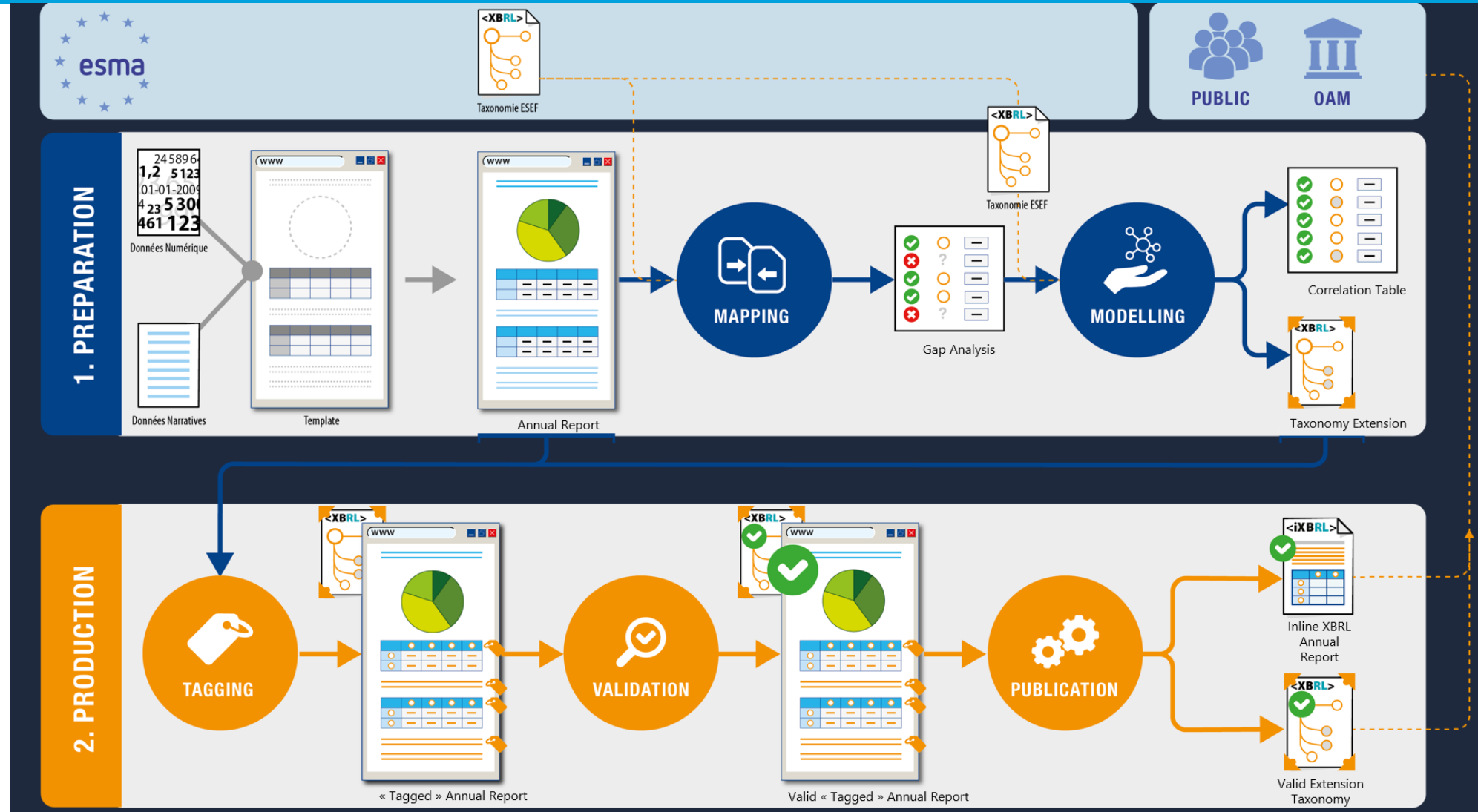
3. Usability:

Am I able to produce my ESEF reporting with effectiveness, efficiency and satisfaction ?

3b. Operability:

- Have you identified the number of tasks that have to be performed according to your approach ?
- What is the number of contributors ? (internal and external)
- What are the interdependencies between the contributors ?
- How can you control the global process ?
- Are you controlling the total time of the global process including the third-parties contribution ?
 - For the first iteration
 - In case of any modification
- Have you identified any “blackbox effect” risks ?

Keep in mind the different steps of the reporting process



Criteria #3: Usability

3. Usability:

Am I able to produce my ESEF reporting with effectiveness, efficiency and satisfaction ?

3c. Learnability:

- Do you gain experience from using this approach ?

NB: ESEF reporting is not a one-shot topic but a new paradigm for financial communication

- Does your approach help you over time to increase your protection against making errors ?
- What is your level of independence if you have to solve an issue in the part of the global process of your approach ?

Criteria #4: Maintainability

4. Maintainability

How will you manage modifications, corrections, regulatory evolution, N+1 production?

• **Modifiability**

- How a last minute modification will impact your approach ?
 - Integration of a new chapter ? Integration of a new visual ?
 - Insertion of a new line or a new column in a financial statement ?
 - Last minute modification of the mapping during the auditors review ?
 - Evaluate both the cost of the modification and the impact on the other contributors
- How will your approach deals with a regulatory evolution ?

• **Reusability of the approach**

- What will be reused in case of any modification ?
- What will be reused in year N+1 ?
- What will be reused in case of an update of the taxonomy (regulatory evolution) ?

Q&A session



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