

**xBRL | EUROPE**

1-4 December 2020

**26th XBRL Europe & national  
XBRL jurisdictions Digital week  
on  
ESEF**



# ESEF Status Report

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# STATUS REPORTS - AGENDA

## 1 Prospective Delay

## 2 National readiness

- Legislative change
- NCA rulebook
- OAM filing arrangements
- Vendor readiness

## 3 Audit

- Commission Interpretive Communication 6/11
- National auditing standard setter activities

# 1 PROSPECTIVE DELAY

- Proposed one-year delay as part of COVID-19 Relief measures
  - Member states to have the option to permit issuers to delay
  - Has passed European Parliament Committee stage
  - To be negotiated at member state level before finalizing adoption
  - Conclusion expected before the year end
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- Countries most likely to offer delay: France, Sweden, UK
  - If delay is chosen, optional filing may be permitted

## 2 NATIONAL READINESS

Legislative  
changes

NCA  
Rulebooks

OAM filing  
guidance

# LEGISLATIVE CHANGES

- The interaction between ESEF and national laws has created challenges in some countries.
  - Laws have been changed e.g. in Germany and France.
  - Change to the law may be in process e.g. Sweden
  - In some countries, no change to law appears necessary e.g Netherlands, Spain
- Clarity on the legislative position enables national regulators to set appropriate rules

# NCA RULEBOOKS

- National Competent Authorities set rules for Listed Companies and communicate the changes
- There are various sources of rules, including EU legislation
- ESEF is a significant change for an NCA rulebooks
- Changes have been published in Sweden and the UK
- Change is planned but not yet issued in France
- In some countries change has not been made and/or communicated

# OAM FILING GUIDANCE

- Officially Appointed Mechanisms (OAM) are responsible for receiving and publishing documents published by listed companies
- The OAM role includes setting out the rules for digital documents to pass through electronic gateways.
- Detailed guidance has been published in Germany, France and the UK
- Validation checks expected to be applied in Germany, France, Italy and the UK
- Expect guidance on how to access the digital data to emerge in 2021

# SOFTWARE & SERVICE PROVIDERS

- There is a choice of solution styles:
  - iXBRL functionality built-in to disclosure management software
  - Software to be bolted-on to existing processes
  - Service providers, converting Annual Reports to ESEF format
- COVID-19 does not appear to affect the ability to meet potential customers and demonstrate solutions
- A year ago, PwC contacted 29 vendors, with 17 responding to a detailed survey. Choice will only have grown since then.



# AUDITOR'S RESPONSIBILITY

In May 2019, the Commission issued an FAQ indicating that ESEF should be covered by the auditor's report on the financial statements

In late 2019 the CEAOB and Accountancy Europe published guidance explaining how the auditor could report on ESEF in various scenarios

Further guidance has now been published by the EC:

[https://ec.europa.eu/finance/docs/law/201106-communication-esef\\_en.pdf](https://ec.europa.eu/finance/docs/law/201106-communication-esef_en.pdf)

# EUROPEAN COMMISSION GUIDANCE

- Auditor's conclusion to appear within the statutory requirements section of the auditor's report on the consolidated financial statements
- Scope covers the choice of iXBRL tags and ESEF's technical requirements
- Issuers are responsible for complying with ESEF, but do not need to make a detailed explicit statement relating to compliance with ESEF
- The auditor's report may be disclosed within the annual report or accompany the annual report as a separate document. E- signatures are acceptable.
- ESEF applies to third country issuers and their auditors
- Other versions of annual reports may be disclosed, to be referred to as "non-official"

# NEW ESEF AUDITING STANDARDS

- Published in Germany and Spain
- Under development in France and Sweden
- Further consultation on the role of the auditor expected in the UK
- Potential use of ISAE 3000 as a Standard for ESEF

THANK YOU

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