esma European Securities and Markets Authority
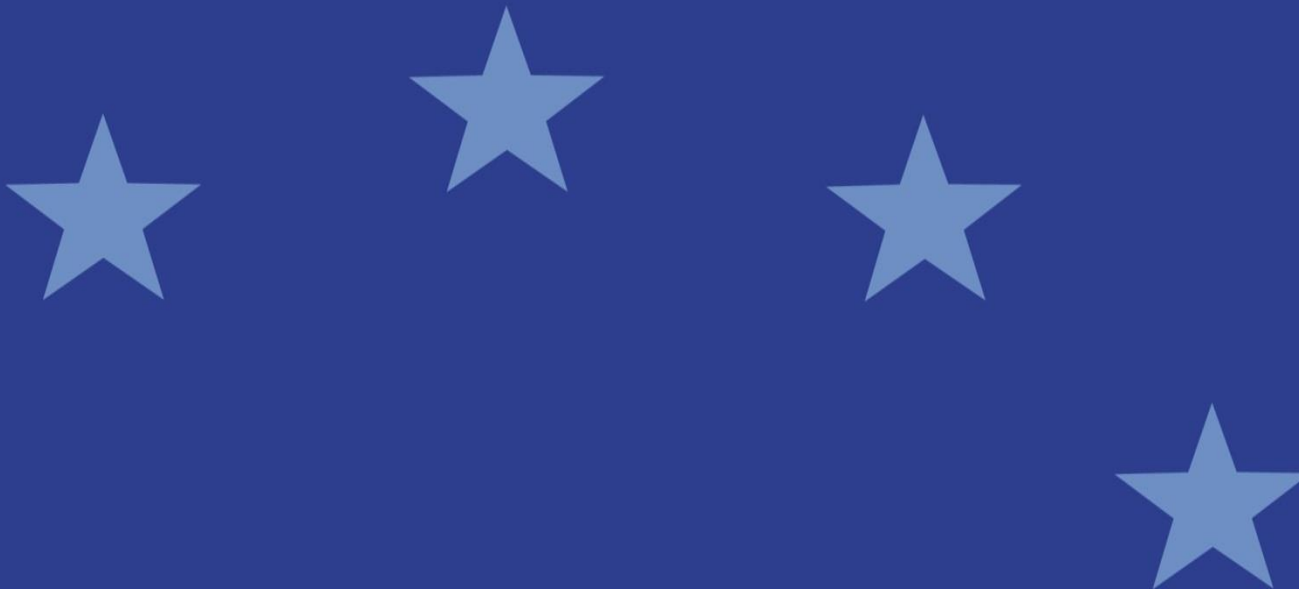
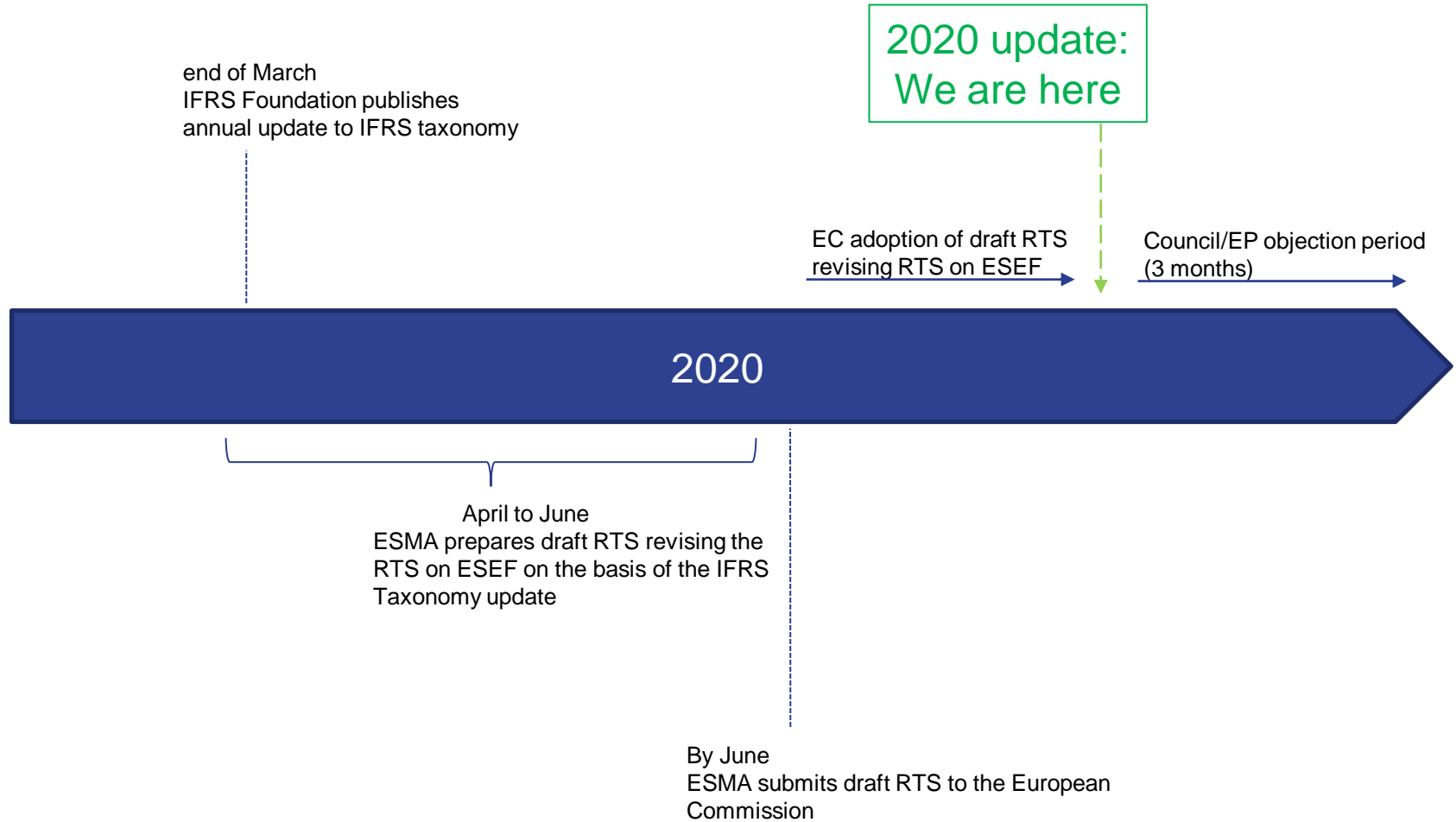# **ESEF updates**
XBRL Europe webinar

Anna Sciortino

Key requirements of the ESEF

- **From financial year 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)

- Regulation to be **yearly updated** on the basis of IFRS taxonomy update

RTS on ESEF
Update on 2020 update of the core taxonomy

2020 update:
We are here

end of March
IFRS Foundation publishes
annual update to IFRS taxonomy

EC adoption of draft RTS
revising RTS on ESEF

Council/EP objection period
(3 months)

2020

April to June
ESMA prepares draft RTS revising the
RTS on ESEF on the basis of the IFRS
Taxonomy update

By June
ESMA submits draft RTS to the European
Commission

Taxonomy files and Conformance Suite
Update on the 2020 process for updates

End of March:
IFRS Foundation publishes
annual update to IFRS taxonomy
and taxonomy formula linkbase

6 November 2020
Green light on EC adoption of the revised
RTS on ESEF

EC endorsement of draft RTS revising
RTS on ESEF (incl translation of labels)

Year N

July to August
ESMA prepares update to the
ESEF taxonomy files and the
Conformance Suite

ESMA includes translated labels
in the ESEF taxonomy files

Early December: ESMA publishes update of XBRL Taxonomy
files + ESMA update of the ESEF Conformance Suite

2020 update:
We are here

ESEF Reporting Manual update 2020

- ESMA published in July 2020 the update of the ESEF Reporting Manual

- Most significant areas of new/updated guidance:

  – Recommendation on when to early adopt latest IFRS/ESEF Taxonomy version

  – Anchoring of extension domain members and other dimensional constructs

  – Naming conventions for reporting package and extension taxonomy files

- Further updates will be considered on the basis of the input of market participants and on the basis of XBRL and regulatory developments

ESEF Taxonomy update 2020

- ESMA will publish in December 2020 the update of the ESEF Taxonomy files

- Most significant changes compared to the previous version:

  - Incorporates IFRS 2020 (2020-03-16) taxonomy update (with 6 new elements and revised labels)

  - Introduces Data Types Registry 1.1 for the guidanceItemType

  - Includes final LEI taxonomy (REC as of 2020-07-02)

  - Error messages for assertions updated to include error codes indicated in the ESEF Reporting Manual/Conformance Suite
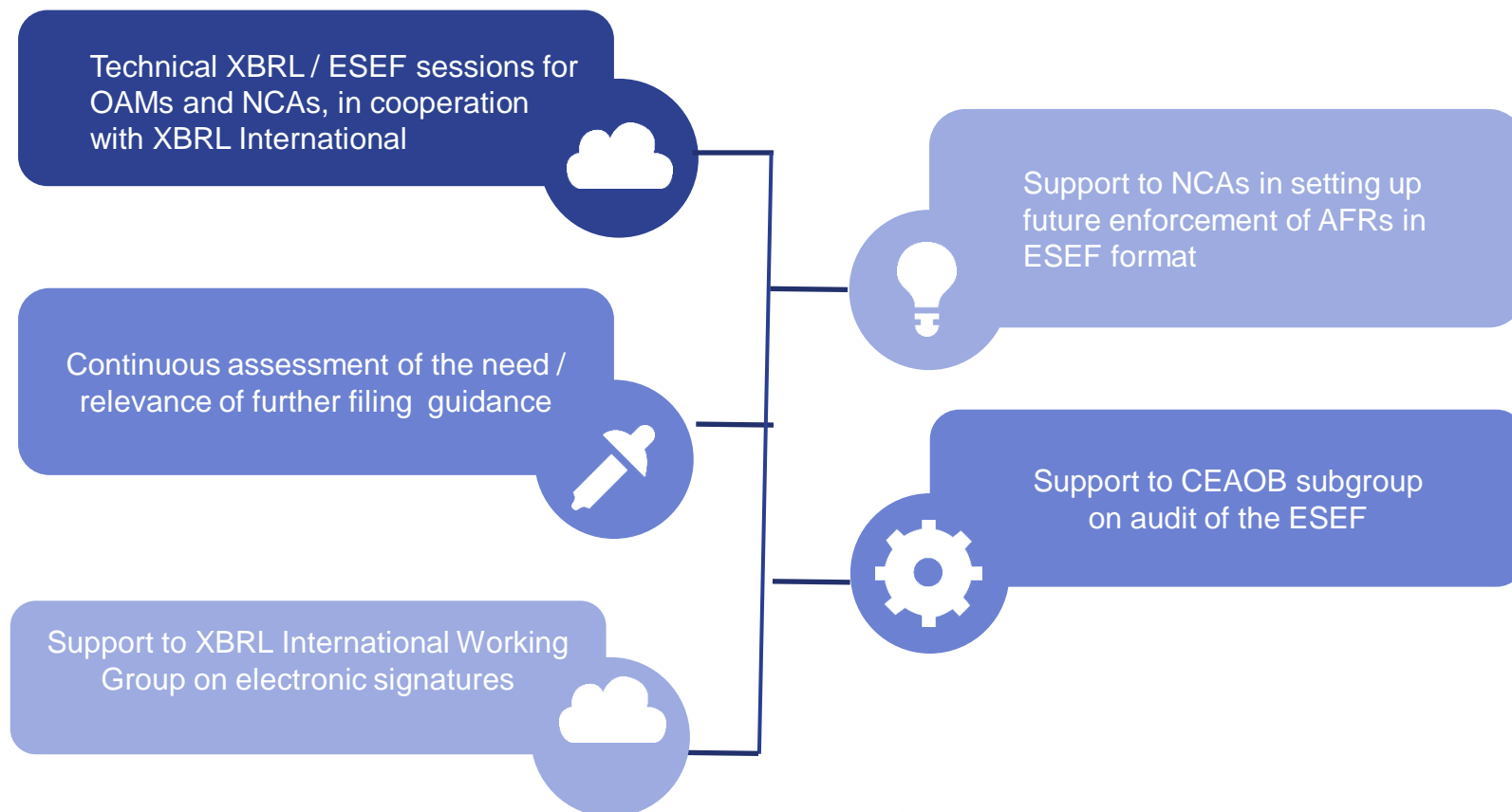
ESEF Conformance Suite update December 2020

- ESMA will publish in December 2020 the update of the ESEF Conformance Suite testing package

- Most significant changes compared to the previous version:

  - Number of test cases increased from 60 to 64 and the number of test scenarios increased from 157 to 192

  - Updates to the infrastructure schemas:

    - <automatable> flag was added to indicate which tests may not fully automatically checked/verified due to their non-comprehensive nature

    - <ignore-error> element was added to indicate that there are potentially additional errors that might be raised by the processors, but should be disregarded as not relevant in the tested scenario

  - User friendly documentation of the suite in MS Word format

Other recent and ongoing activities

Technical XBRL / ESEF sessions for OAMs and NCAs, in cooperation with XBRL International

Support to NCAs in setting up future enforcement of AFRs in ESEF format

Continuous assessment of the need / relevance of further filing guidance

Support to CEAOB subgroup on audit of the ESEF

Support to XBRL International Working Group on electronic signatures

Thank you for your attention!

Please note that the content of this presentation is based on staff considerations and has not been formally approved by ESMA's Board of Supervisors and/or ESMA's Chairman.

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

    Video 3 https://www.youtube.com/watch?v=63ASc8k3Jcc&t=36s

- The ESEF Reporting Manual (ESMA32-60-2540)

- An example of ESEF-compliant annual report https://www.esma.europa.eu/press-news/esma-news/esma-publishes-example-annual-financial-report-in-esef-format

- The Final Report on the draft RTS on ESEF (ESMA32-60-204)

On the IFRS Foundation website:

- General resources on the IFRS Taxonomy https://www.ifrs.org/issued-standards/ifrs-taxonomy/#resources

- Using the IFRS Taxonomy : A Preparer's Guide

- IFRS Taxonomy illustrative examples