

**xBRL EUROPE**

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DIGITAL EVENT  
ON ESEF 1st remittances  
27 April 2021**



## OAMs digital Gateways and the new ESAP

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# OAMs digital Gateways

## Introducing of the German OAM

- The German OAM is the central source for official and valid company information
  - The OAM ensures that company information is sustainably available
  - The OAM enables searchability for company information
  - The OAM carries out quality checks on the company-index data and thus ensures better data quality
  - As German OAM we have the mandate of the federal government to accept, check, publish and permanently archive information on companies in accordance with statutory obligations.
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# OAMs digital Gateways

## The German OAM has a specific submission procedure

- In Germany, almost all annual or financial reports are submitted via the Federal Gazette “Bundesanzeiger”
  - Identify companies and their legal representatives as part of the management of the statutory company register of the Federal Republic of Germany.
  - The Federal Gazette checks the completeness of all mandatory elements and the timely submission. In addition, we carry out technical validations during the submission process. All "suspicious" findings of the Federal Gazette can be returned to the submitter in order to receive quality-assured data.
  - After the quality process, for reasons of better comparability, all documents are transferred in layout XML and sent to the OAM platform for archiving and searchability.
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# OAMs digital Gateways

- Almost all 28 OAM differ in the submission process, e.g. in the acceptance and handling of formats.
  - At the European level, financial information may be difficult to find and more difficult to compare.
  - **This explains the EU's recent approach to further harmonize transparency requirements!**
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# OAMs digital Gateways

- It should facilitate access, analysis and comparability between OAMs / authorities, issuers and investors with regard to annual and financial reports and thus also the promotion of cross-border investments in the European economic area.
  - According Transparency Directive 2013/50/EU, ESMA was mandated to develop regulatory standards for a european uniform electronic reporting format and for a central **European Electronic Access Portal (EEAP)**
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# OAMs digital Gateways

- The goal behind this EEAP project is to provide a tool that makes it easier for stakeholders to retrieve certain regulated information, such as annual reports or shareholders of European issuers, to make it easier for them to browse and search.
  - Approach: The system set up for the EEAP stipulated that all documents remain in the OAMs area and thus remain their legal responsibility. A reference to the storage location of the actual report in the OAM system would be provided in the EEAP via transferred metadata. The report could be called up in the respective national OAM via this "metadata link".
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# OAMs digital Gateways

- The EU regulation (EU) 2016/1437 for the EEAP has been approved by the COM.
  - Some OAMs have already made preparations to provide the requested metadata for the central database.
  - On July 31, 2017, ESMA informed all OAM of the postponement of the implementation of the EEAP.
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# OAMs digital Gateways

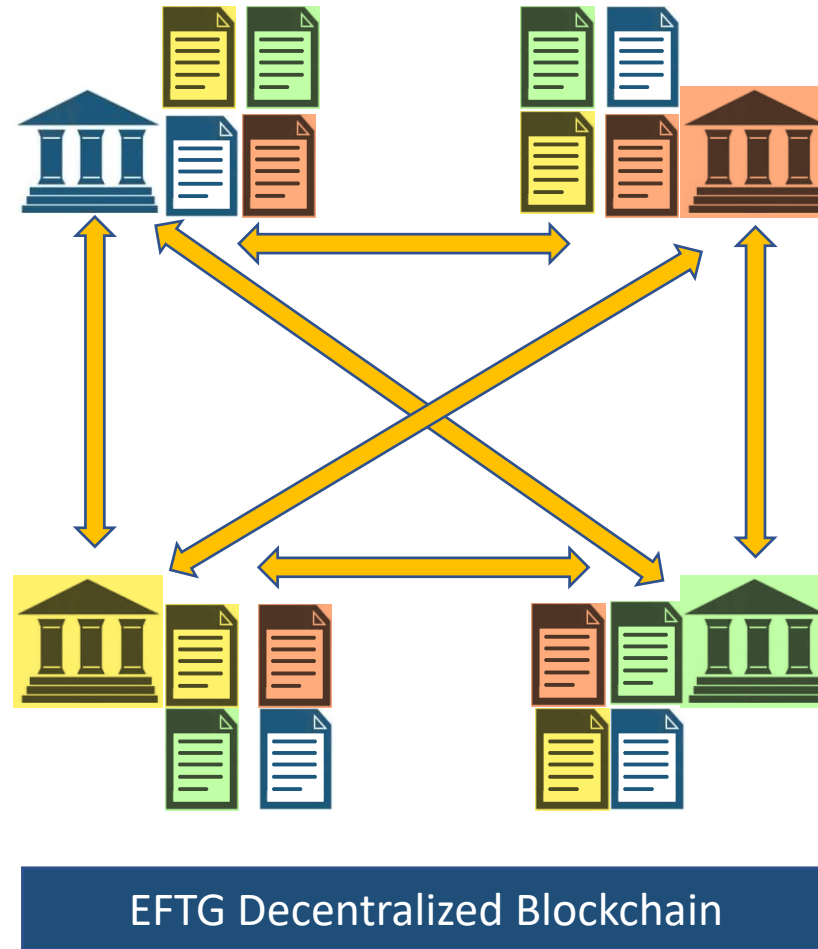
- To date, there is still no official statement from the EU Commission to continue the EEAP, or an official statement at the end of this.
  - Instead, an other pilot project was started , the **European Financial Transparency Gateway (EFTG)**
  - A Pilot phase was orchestrated by EU COM, technically implemented by Deloitte
  - Based on no regulation
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# OAMs digital Gateways

- The new Approach of the EFTG: Setup of a decentral Blockchain with information about issuers whose securities are admitted to trading on a regulated market
  - The EFTG pilot project also aims to provide a search facility for real data from the Member States
  - Search and retrieve regulated information in the EU (by anybody) using a decentral search node that is connected to the Blockchain
  - Investors are expected to get faster results for the information they are looking for
  - Pilot officially ended with a message by DG FISMA on 20 September 2020
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# OAMs digital Gateways



# OAMs digital Gateways

## Possible implications for the OAMs

- EFTG would have fundamentally changed the type and location of data storage. This would have definitely replaced the OAMs in storing regulated information.
  - OAMs would lose their sovereignty over the data stored in the Blockchain
  - It would be difficult or even impossible to correct or delete data.
  - Loss of data quality, if third parties (such as issuers or auditors) should be allowed to store their data autonomously within the EFTG.
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# OAMs digital Gateways

## Possible implications for the OAMs

- The data quality and the content are solely the responsibility of the issuer. Nobody carries out a visual check for e.g. illegal content, let alone technical conformity checks ("data salad", faulty files) would be the result.
  - A possible violation of the GDPR and the individual right to erasure is to be feared.
  - In a position paper to the EU COM, we as the German OAM have brought these and many other challenges and problems up to date, also with the indication that we find a solution in the EFTG that lacks a problem.
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# The new ESAP approach

- Now a new venture: A new Vision for Europe's capital markets was described in the final report of the High Level Forum on the Capital Markets Union from September 2020
  - The aim is the recovery of the EEA. In particular, it is important to strengthen the European financial market in a long-term and stable manner in the next few years in order to promote the achievement of the goals of the Green Deal
  - To support this project, the EU COM proposes a 16 point action plan.
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# The new ESAP approach

- The capital markets are to be further developed, and access to market finance is of great importance here. Investment decisions depend on the availability, quality and comparability of financial information. Small and medium-sized companies in particular are to be made more visible to cross-border investors. The 1st CMU Action Plan proposes improving this access through the creation of a **European Single Access Point (ESAP)**.
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# The new ESAP approach

## What has been done so far:

- Since the beginning of 2021, various queries and interviews about the ESAP project have been carried out among stakeholders, including the OAMs and NCAs.
  - Core aspects of these questions (excerpt) related to:
    - Data quality
    - Timeliness of the information
    - Voluntary company information
    - ESAP as a dissemination platform
    - ESAP as a submission platform
    - Get information / API
    - Costs for ESAP
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# The new ESAP approach

## First conclusion from the German OAM point of view:

- We think the involvement in the consultation phase on ESAP is very good .Regarding Quality and availability we completely agree this as a very important for the success of the ESAP approach. Therefore the quality of the published data can only be held on a high level if the submitted data are subject to an examination. The submitted data are better understood in the respective jurisdictions and can be quality assured there before they are made available via a central access point in the EU. If it turns out in retrospect that the published data do not meet the quality requirements of the EU, or that the content is incorrect, the system should allow corrective action to be taken in the data at any time. GDPR and the individual right of personality must be taken into account. The associated legal issues can also be better clarified on a national basis.
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# The new ESAP approach

## First conclusion from the German OAM point of view:

- The OAMs could play a stronger role in this context in the future. In order for the market to be able to work with the valid and trustworthy published data, it must be able to rely on the quality of the data. Coming up to the Idea ESAP should take over the submission and dissemination function for company information. We regard this idea as highly critical. It will create a redundant publication and dissemination body across member states. ESAP would thus no longer be just an access point, but would become an additional register with all documents. Data sovereignty would no longer lie with the individual member states. This would create various problems with regard to national legal requirements, data protection, liability issues, etc.
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# The new ESAP approach

First conclusion from the German OAM point of view:

- The idea of the “Green Deal” is intended to promote an investment in companies whose products or value chain take environmental protection into account in particular. We support this approach complete. Therefore, in the context of the project of European interconnection "ESAP", value should be placed on investing more in green technologies and refraining from technologies that are energy-hungry and produce data-garbage. We therefore expressly welcome the approach of using the existing resources and infrastructures such as BRIS.
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# The new ESAP approach

## First conclusion from the German OAM point of view:

- Regarding the infrastructure of the access point we see potential risk of uncontrolled mass retrieval via a web service interface. A potential danger lies in particular in the improper use of the mass data accessible via a web service. Such an improper use could result in a danger for the general public – e.g. simplification of aimed hostile interventions by non-friendly foreign powers into the economy of the European Union. Those serious dangers should not be raised by the availability of a web service and bulk downloads.
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# The new ESAP approach

- Further workshops and surveys are currently ongoing. The plan envisages that the Commission will adopt a legislative proposal to set up the ESAP in the 3rd quarter of 2021.



Thank you !

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