

**31<sup>st</sup> XBRL EUROPE  
CONFERENCE  
in Rome (Italy)**

**22-23 May 2023**

*Hosted by*



# Textblocks tagging

## ESEF Best Practice Task Force

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- Pierre Hamon
- AMANA France
- Member of XBRL France



# Presentation

- ESEF Best practice task force – XBRL Europe
- 62 registrations in the mailing list
- Monthly meetings (weekly for sub-groups)
- Major subjects this past year:
  - Textblocks tagging – technical aspects and hierarchy
  - Validation of ESEF reports

# Tagging issue 1 – RTS: Multiple block tags

- **Multiple textblocks can match a given disclosure**

**Note 5: Property, plant and equipment**

Changes in property, plant and equipment gross book values and accumulated depreciation are presented in the following table:

In thousands of Euros	As of December 31, 2020	Increase	Decrease	Currency translation adjustment	As of December 31, 2021
Technical equipment and installations	610	3	–	6	620
IFRS 16 – Right of use - Building	3,501	96	–	177	3,774
Leasehold improvement	959	–	–	23	982
Office and Computer equipment	206	28	–	1	236
IFRS 16 – Right of use - Other	19	–	–	–	19
Furniture	492	1	–	14	505
<b>Total gross property, plant and equipment</b>	<b>5,786</b>	<b>128</b>	<b>–</b>	<b>222</b>	<b>6,136</b>
Accumulated depreciation of technical equipment and installations	(417)	(71)	–	(2)	(491)
IFRS 16 – Right of use - Building	(1,164)	(616)	–	(67)	(1,847)
Accumulated depreciation of leasehold improvement	(461)	(108)	–	(8)	(576)
Accumulated depreciation of office and computer equipment	(188)	(18)	–	(1)	(207)
IFRS 16 – Right of use - Other	(15)	(4)	–	–	(19)
Accumulated depreciation of furniture	(387)	(50)	–	(9)	(447)
<b>Total accumulated depreciation</b>	<b>(2,632)</b>	<b>(868)</b>	<b>–</b>	<b>(87)</b>	<b>(3,587)</b>
<b>Total net property, plant and equipment</b>	<b>3,154</b>	<b>(740)</b>	<b>–</b>	<b>135</b>	<b>2,549</b>

DisclosureOfPropertyPlantAndEquipmentExplanatory

DisclosureOfLeasesExplanatory

DisclosureOfDepreciationAndAmortisationExpenseExplanatory

DisclosureOfEffectOfChangesInForeignExchangeRatesExplanatory

# RTS: Multiple textblocks for a given disclosure

## 5.7 Net cost of financial debt

The net cost of financial debt is as follows:

<i>(in thousands of euros)</i>	31/12/2022	31/12/2021
Interests received	-	-
Interests and assimilated charges	-1 764	-1 205
<b>NET COST OF FINANCIAL DEBT</b>	<b>-1 764</b>	<b>-1 205</b>

Disclosure of interest income (expense) [text block]

Disclosure of interest income [text block]

Disclosure of finance income [text block]

Disclosure of finance cost [text block]

Disclosure of finance income (cost) [text block]

**Disclosure of interest expense [text block]**

### Concept

- (ifrs-full) Disclosure of interest expense [text block]

*The disclosure of interest expense. [Refer: Interest expense]*

## Six textblocks for One value

# Tagging issue 2 - Manual: Nested textblocks

- **Over tag disclosures wider elements**
- The role [000000] is a flat list and have no indication of « wider / narrower » elements:
  - 96 accounting policies
  - 135 disclosures
- This results in many different interpretations that are confusing for preparers, auditors and regulatory bodies.

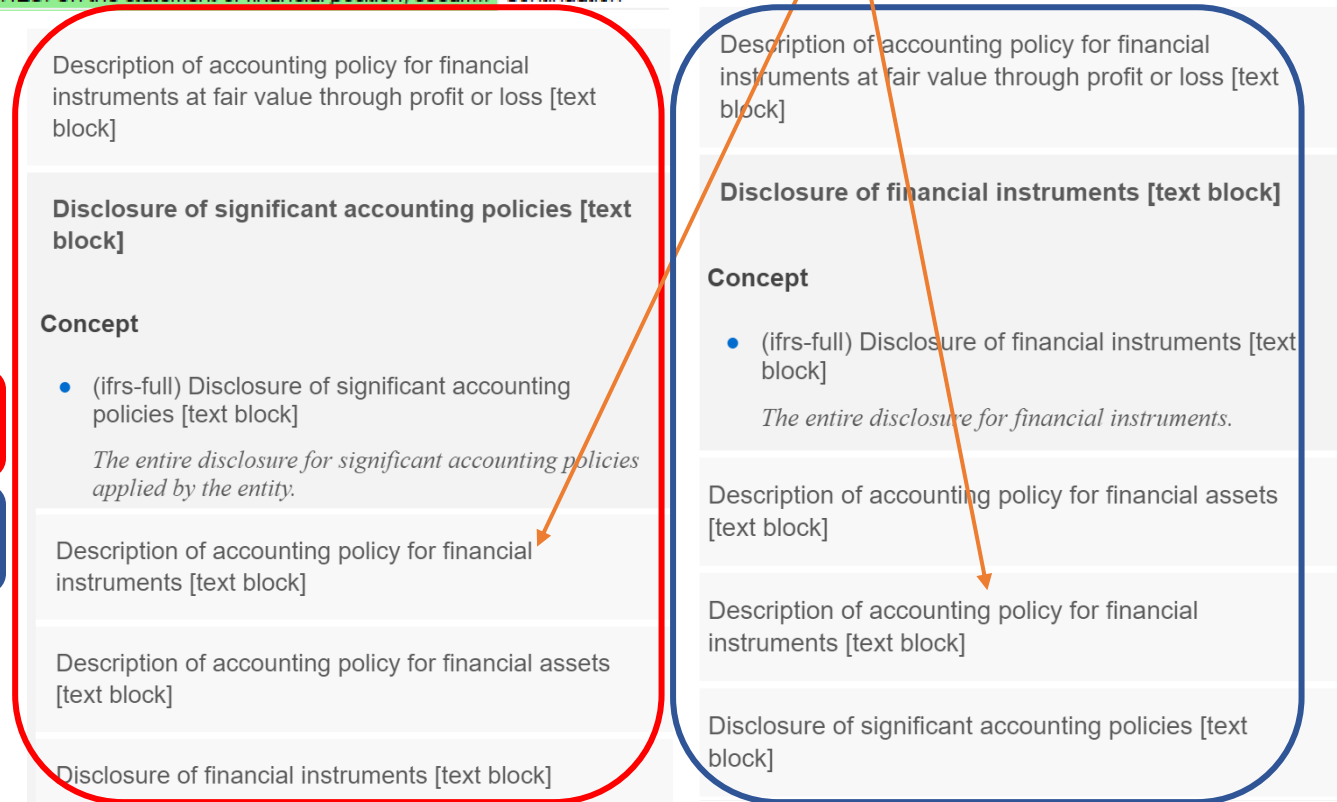
# Hierarchy of textblocks ?

Informations relatives à	ifrs-full:DisclosureOfSummaryOfSignificantAccountingPoliciesExplanatory	amortised cost of a financial liability and allocating interest ...	Continuation
Informations relatives à	ifrs-full:DisclosureOfFinancialInstrumentsExplanatory	SECURITIES: On the statement of financial position, securi...	Text Content
Description de la ...	ifrs-full:DescriptionOfAccountingPolicyForFinancialInstrumentsExplanatory	SECURITIES: On the statement of financial position, securi...	Continuation
Description de la ...	ifrs-full:DescriptionOfAccountingPolicyForFinancialInstrumentsAtFairValu...	SECURITIES: On the statement of financial position, securi...	Continuation
Description de la ...	ifrs-full:DescriptionOfAccountingPolicyForFinancialAssetsExplanatory	SECURITIES: On the statement of financial position, securi...	Continuation

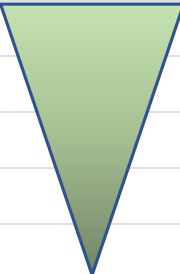
**SECURITIES:** On the statement of financial position, securities under current assets comprise marketable, easily realisable securities and time deposits with an original maturity of 3 to 12 months.

IFRS 9, *Financial instruments*, requires that the classification of an investment portfolio as either “fair value through profit or loss (FVTPL)” or as “fair value through other comprehensive income (FVTOCI)” depends on the entity’s intention and past practice.

IFRS 9 provides guidance on how to determine whether a business model is to manage assets to collect contractual cash flows or to both collect contractual cash flows and to sell financial assets. Other business models are all the ones that do not meet one of those two qualifying criteria. If the portfolio manager actively buys and sells financial instruments to generate short-term profits, the financial instruments in the portfolio are considered, by default, as held as FVTPL.



# Hierarchical representation of the textblocks

			<b>Wider</b>
<b>Ultimate Parent</b>		DisclosureOfFinancialInstrumentsExplanatory	
<b>Parent</b>		DisclosureOfSummaryOfSignificantAccountingPoliciesExplanatory	
<b>Parent</b>		DescriptionOfAccountingPolicyForFinancialInstrumentsExplanatory	
<b>Parent</b>		DisclosureOfFinancialInstrumentsAtFairValueThroughProfitOrLossExplanatory	
<b>Textblock</b>		DescriptionOfAccountingPolicyForFinancialAssetsExplanatory	
			<b>Narrower</b>

# Proposed hierarchy of text blocks for disclosures and accounting policies

- Made to ease the navigation in the role [000000] and to disclose the possible nesting of text blocks
  - The text blocks are logically grouped according to their content by reference to specific IFRS requirements (underlying IFRS as expressed in the reference link in the taxonomy),
  - The “minimal” number of nested text blocks.
- **The aims of this hierarchy are:**
  - To help issuers do the tagging for their 2022 ESEF report,
  - To propose to ESMA to change the ESEF regulation for future years to require only a certain level of block tagging,
  - To provide to IFRS Foundation ideas how it could be implemented in the IFRS taxonomy.

*[The proposed hierarchy cannot be considered as an “official” or “regulatory” document. It could be used by software vendors if it was “xbrl-ized”]*



# Proposed hierarchy

DisclosureOfFinancialInstrumentsExplanatory	IFRS,7,,
DescriptionOfAccountingPolicyForFinancialInstrumentsExplanatory	
DescriptionOfAccountingPolicyForDerecognitionOfFinancialInstrumentsExplanatory	
DescriptionOfAccountingPolicyForOffsettingOfFinancialInstrumentsExplanatory	
DescriptionOfAccountingPolicyForRecognisingDifferenceBetweenFairValueAtInitialRecognitionAndAmountDeterminedUsing	IFRS,7,28,a
DescriptionOfAccountingPolicyForFinancialGuaranteesExplanatory	
DescriptionOfAccountingPolicyForFinancialAssetsExplanatory	
DescriptionOfAccountingPolicyForHeldtomaturityInvestmentsExplanatory	
DisclosureOfFinancialInstrumentsHeldForTradingExplanatory	
DisclosureOfFinancialAssetsHeldForTradingExplanatory	
DisclosureOfFinancialLiabilitiesHeldForTradingExplanatory	
DisclosureOfAvailableforsaleAssetsExplanatory	
DescriptionOfAccountingPolicyForAvailableforsaleFinancialAssetsExplanatory	
DisclosureOfCreditRiskExplanatory	IFRS,7,,
DisclosureOfAllowanceForCreditLossesExplanatory	
DisclosureOfReclassificationOfFinancialInstrumentsExplanatory	
DescriptionOfAccountingPolicyForReclassificationOfFinancialInstrumentsExplanatory	
DisclosureOfLiquidityRiskExplanatory	
DisclosureOfMarketRiskExplanatory	
DisclosureOfFairValueOfFinancialInstrumentsExplanatory	
DisclosureOfFinancialInstrumentsAtFairValueThroughProfitOrLossExplanatory	
DescriptionOfAccountingPolicyForFinancialInstrumentsAtFairValueThroughProfitOrLossExplanatory	
DisclosureOfFinancialInstrumentsDesignatedAtFairValueThroughProfitOrLossExplanatory	
DisclosureOfDerivativeFinancialInstrumentsExplanatory	
DescriptionOfAccountingPolicyForDerivativeFinancialInstrumentsAndHedgingExplanatory	
DescriptionOfAccountingPolicyForDerivativeFinancialInstrumentsExplanatory	
DescriptionOfAccountingPolicyForHedgingExplanatory	
DisclosureOfBorrowingsExplanatory	
DescriptionOfAccountingPolicyForFinancialLiabilitiesExplanatory	
DescriptionOfAccountingPolicyForBorrowingsExplanatory	
DisclosureOfDebtSecuritiesExplanatory	
DisclosureOfFinancialRiskManagementExplanatory	
DisclosureOfLoansAndAdvancesToBanksExplanatory	
DisclosureOfLoansAndAdvancesToCustomersExplanatory	
DescriptionOfAccountingPolicyForLoansAndReceivablesExplanatory	

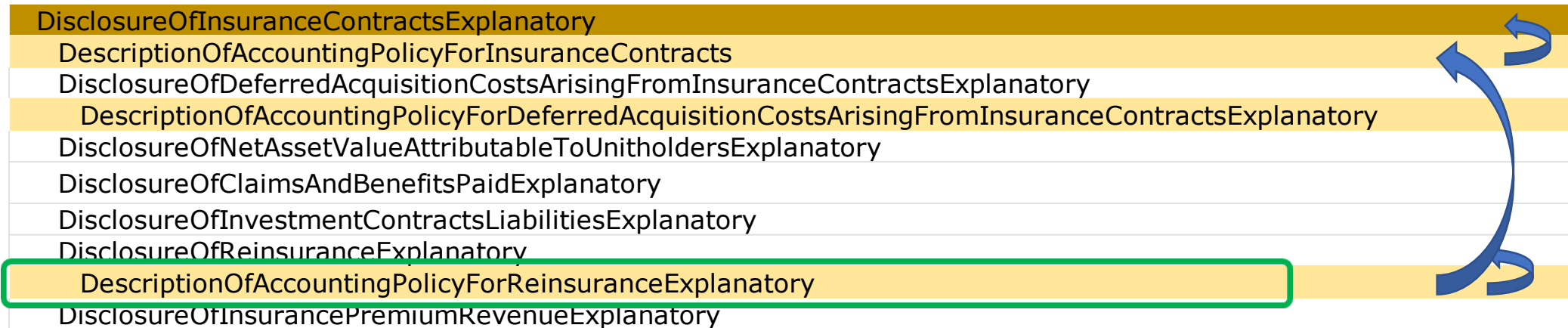
← The entire disclosure

← IFRS reference

← Accounting policies

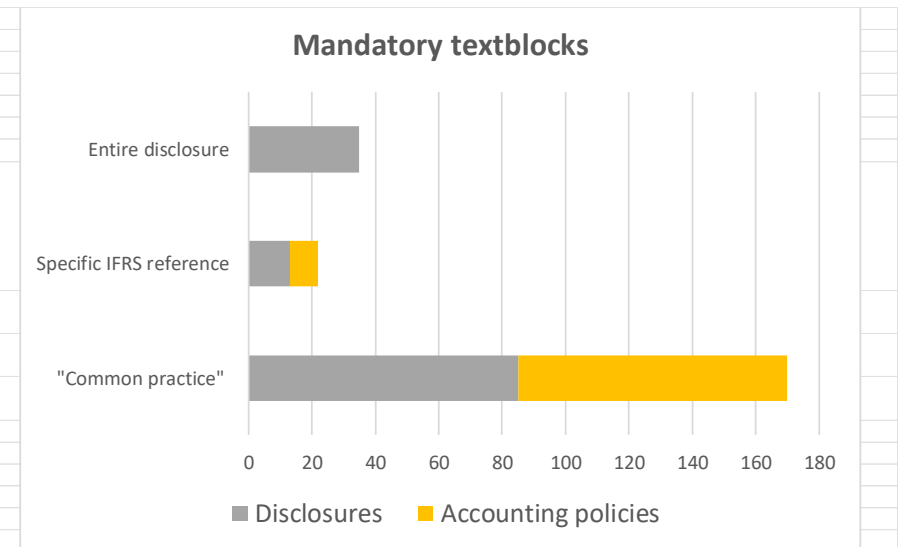
← Common practice

# The hierarchy helps nestings and continuations



# List of mandatory textblock tags

	"Entire disclosure of..."	Precise IFRS reference	"Common practice"
<b>Disclosures</b>	<b>35</b>	<b>13</b>	<b>85</b>
<b>Accounting policies</b>		<b>9</b>	<b>85</b>
<b>Total</b>	<b>35</b>	<b>22</b>	<b>170</b>



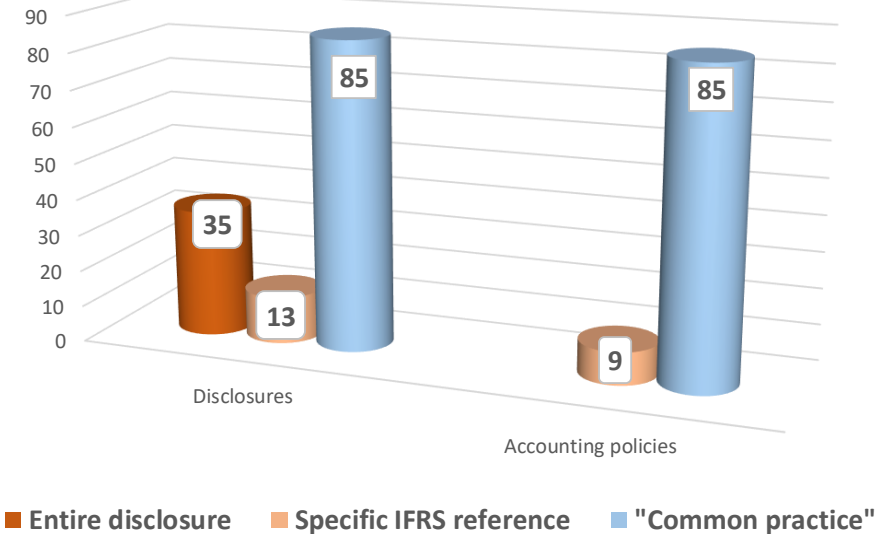


# Hierarchy of mandatory textblocks

**The hierarchy is as follows:**

<b>Entire disclosure (parent)</b>	<b>33</b>
<b>Entire disclosure (child)</b>	<b>2</b>
<b>"Common practice" (parent)</b>	<b>1</b>
<b>Precise IFRS reference (parent)</b>	<b>4</b>
<b>Precise IFRS reference (child)</b>	<b>9</b>
<b>"Common practice" (parent)</b>	<b>48</b>
<b>"Common practice" (child)</b>	<b>36</b>

List of mandatory textblocks tags



# Hierarchy issues

- Is OK: the element with specific IFRS reference is part of the entire disclosure

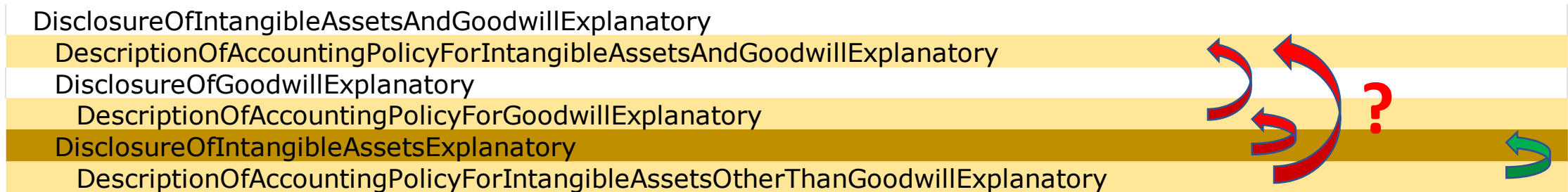
DisclosureOfInterestsInOtherEntitiesExplanatory	IFRS 12.1 Disclosure
DisclosureOfSignificantInvestmentsInAssociatesExplanatory	IAS 27.16 b Disclosure, IAS 27.17 b D
DisclosureOfSignificantInvestmentsInSubsidiariesExplanatory	IAS 27.16 b Disclosure, IAS 27.17 b D

- Is it OK? the element with specific IFRS reference is part of a « common practice element »

DisclosureOfCommitmentsAndContingentLiabilitiesExplanatory	IAS 1.10 e
DisclosureOfCommitmentsExplanatory	IAS 1.10 e
DisclosureOfContingentLiabilitiesExplanatory	IAS 37.86 Disclosure

# Hierarchy issues

- Nesting «common practice elements »

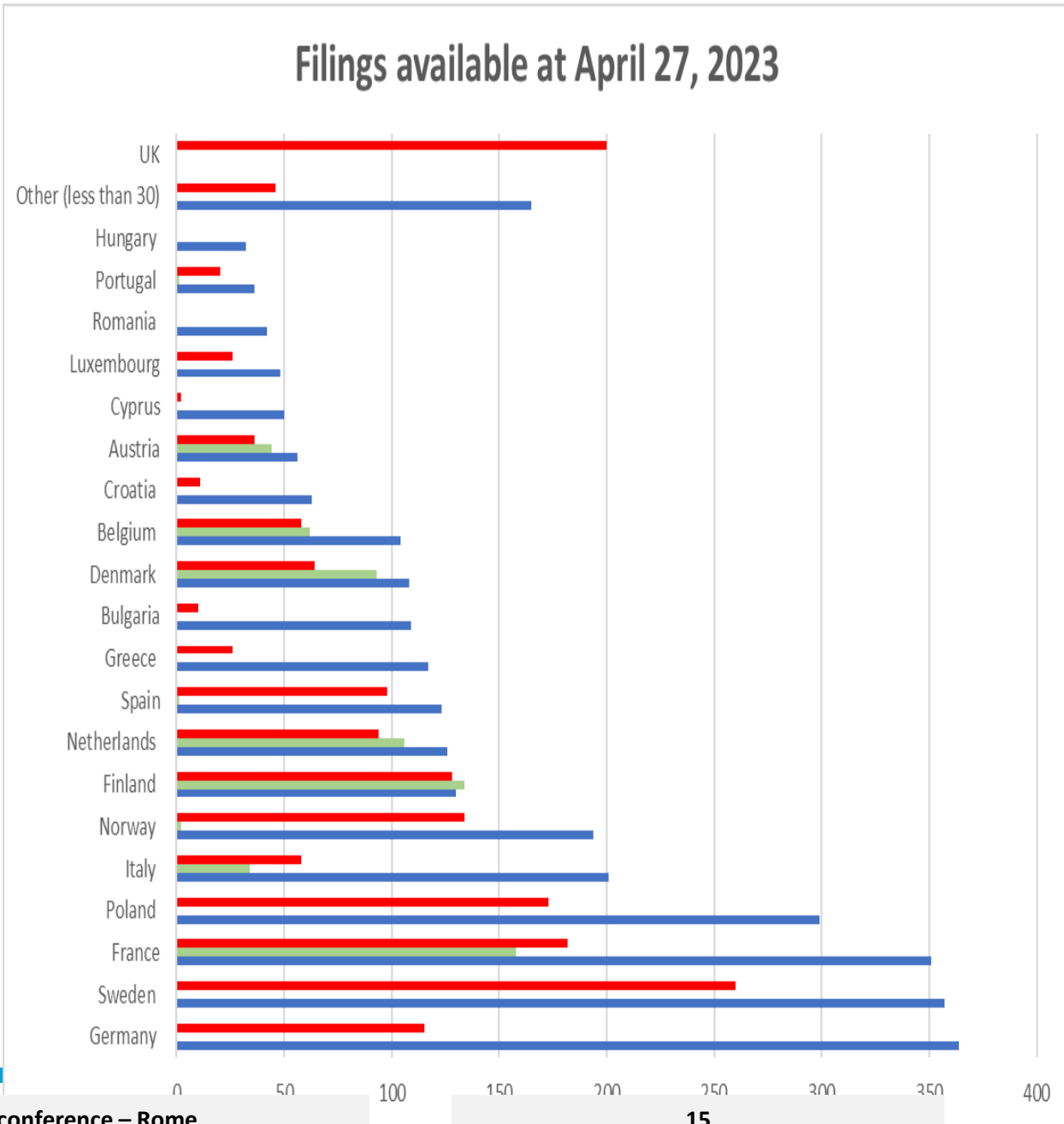




# Need for ESAP!

- **Need for a centralized access to the files as soon as they are published**

	<b>Expected issuers of ESEF</b>		<b>3075</b>
Source	<b>XBRL filings, XBRL Org</b>	<b>Corporatings</b>	
<b>Filings at April 27, 2023</b>	<b>679</b>	<b>1741</b>	
			<b>57%</b>
	<a href="https://filings.xbrl.org">filings.xbrl.org</a>	<a href="https://corporatings.com">corporatings.com</a>	

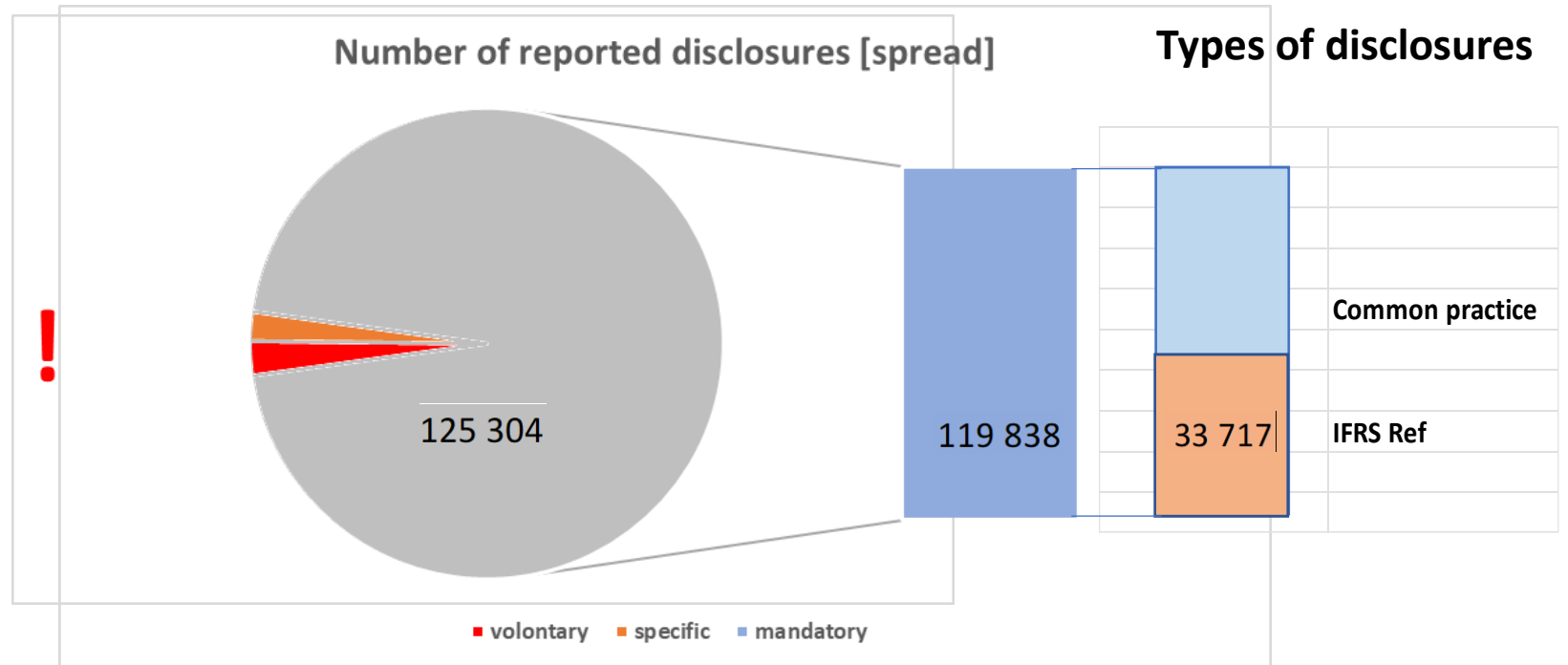




# Disclosures spread (in the sample)

- Reported disclosures

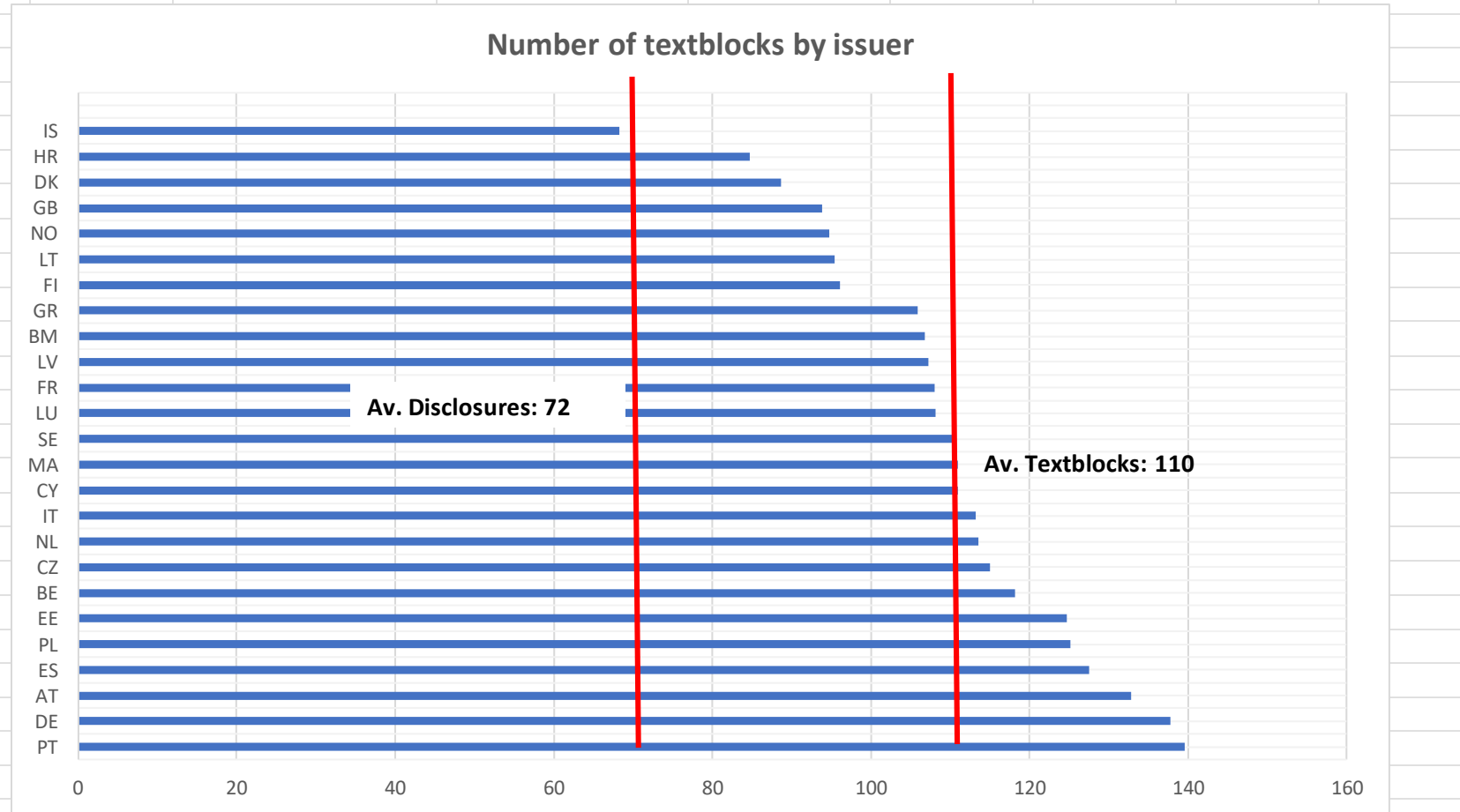
IFRS ref	33 717
common practice	86 121
mandatory	119 838
voluntary	2 949
specific	2 518
<b>Total</b>	<b>125 304</b>





# Average number of textblocks by issuers

	Total textblock	Disclosures
Portugal	140	87
Germany	138	89
Austria	133	88
Denmark	89	59
Croatia	85	54
Iceland	68	48

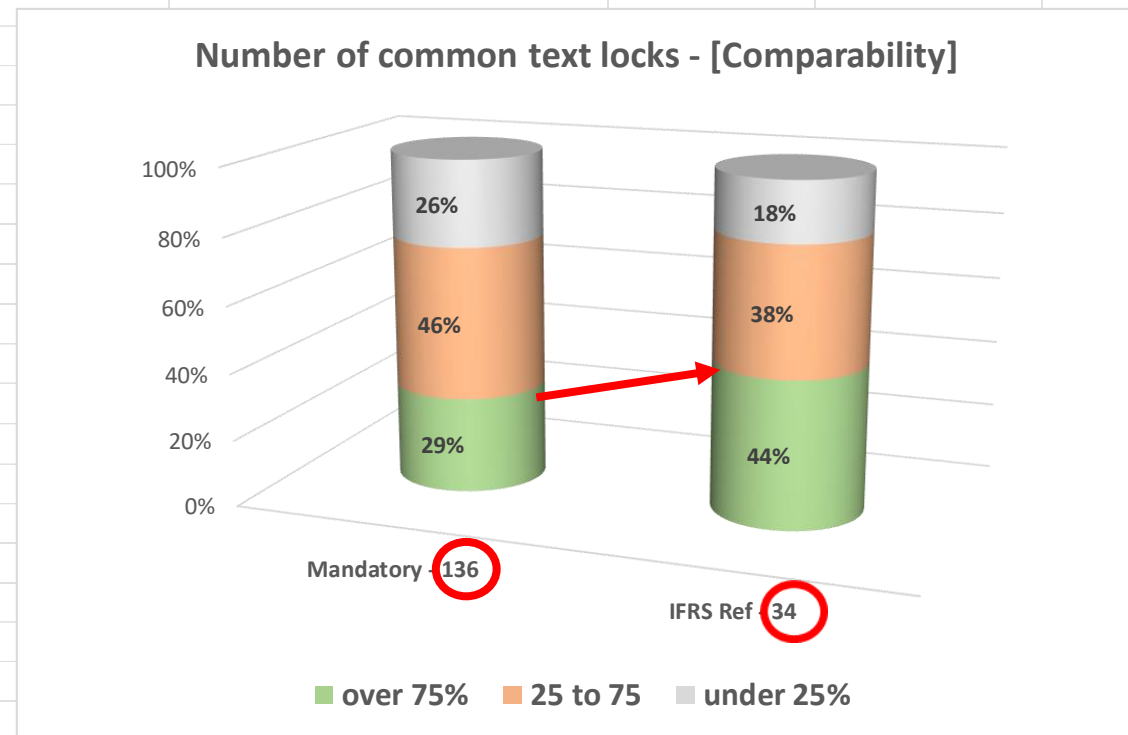




# Commonly used disclosures

- Percent of filers using common textblocks in the 125 304 reported disclosures

Common textblocks	Mandatory - 136	IFRS Ref - 34
over 75%	39	15
25 to 75	62	13
under 25%	35	6
<b>Total</b>	<b>136</b>	<b>34</b>



# Commonly used disclosures

- Disclosures grouped by textblocks with an IFRS reference

## Used by more than 75% of issuers

DisclosureOfFinancialInstrumentsExplanatory
DisclosureOfShareCapitalReservesAndOtherEquityInterestExplanatory
DisclosureOfIncomeTaxExplanatory
DisclosureOfRelatedPartyExplanatory
DisclosureOfFairValueMeasurementExplanatory
DisclosureOfChangesInAccountingPoliciesAccountingEstimatesAndErrors
DisclosureOfLeasesExplanatory
DisclosureOfSummaryOfSignificantAccountingPoliciesExplanatory
DisclosureOfPropertyPlantAndEquipmentExplanatory
DisclosureOfEmployeeBenefitsExplanatory
DisclosureOfEntitysReportableSegmentsExplanatory
DisclosureOfEventsAfterReportingPeriodExplanatory
DisclosureOfEarningsPerShareExplanatory
DisclosureOfGeneralInformationAboutFinancialStatementsExplanatory
DisclosureOfRevenueExplanatory

## Used by less than 25% of issuers

DisclosureOfHyperinflationaryReportingExplanatory
DisclosureOfFirstTimeAdoptionExplanatory
DisclosureOfServiceConcessionArrangementsExplanatory
DisclosureOfBiologicalAssetsAndGovernmentGrantsForAgriculturalActivities
DisclosureOfExplorationAndEvaluationAssetsExplanatory
DisclosureOfRegulatoryDeferralAccountsExplanatory

# Financial instruments

- There are 12 947 textblocks related to financial instruments used
- Of which 1 526 for « FinancialInstrumentsDisclosure »
- More than 100 issuers do not tag the following as « FinancialInstrumentsDisclosure »:
  - Disclosure of liquidity risks
  - Disclosure of credit risks
  - Disclosure of market risks
  - Disclosure of borrowings

# Machine readable data

The machine readable data (for automated consumption and comparisons) would result from the detail tagging of targeted values in the tables and/or text.

*[XBRL Europe answer to the consultation paper on ESEF (Sept 2015):*

- *Representation of key financial information in structured form would aid financial analysts across the European Union at minimal cost.*
- *Consider the granularity of the XBRL report as far as notes to financial statements are concerned.]*

Property, plant and equipment	
22,697	
1,261	
(319)	
200	
(271)	
23,568	
10	
1,310	
(487)	
(711)	
(521)	
23,169	
30	
1,504	
(314)	
443	
(22)	
24,810	
(13,046)	
(1,137)	
(98)	

**Concept**

- (ifrs-full) Property, plant and equipment

*The amount of tangible assets that: (a) are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and (b) are expected to be used during more than one period.*

**Dimensions**

- (ifrs-full) Carrying amount, accumulated depreciation, amortisation and impairment and gross carrying amount [axis]
- (ifrs-full) Gross carrying amount [member]

**Date** 31 Dec 2018

**Fact Value** € 22,697,000,000

**Accuracy** -6 (millions)

**Change** No prior fact

**Entity** [CIK] 0001121404

**Concept** ifrs-full:PropertyPlantAndEquipment

# Issues for future consideration



## **XBRL**

### **Issues under consideration**

Matters under consideration:

- . Relationship between primary statements and disclosures.
- . Taxonomy design to capture narrative as structured disclosures.



## **IFRS**

### **Textblocks tagging**

IFRS recognizes:

- . The need for a hierarchy of textblocks for disclosures.
- . The need for improvements or guidance on textblock tagging.



## **ESMA**

### **Review and give more precisions about what is expected from textblock tagging of the notes.**

- reduce the number of mandatory text blocks,
- define the expected granularity and
- organize the elements in hierarchies that help preparers and data users in their understanding of the disclosures.



## **USABILITY**

### **Define textblock tagging use cases and implement accordingly**

Reach consensus on:

- . What are the expectations for the use of textblock tags compared to detailed tagging (full or targeted).



# Future considerations – IFRS (Taxonomy Consultative Group)

<https://www.ifrs.org/content/dam/ifrs/meetings/2023/february/itcg/meeting-note-itcg-feb-2023.pdf>

- **Hierarchy:** g. The introduction of block tagging in Europe along with multi-tagging requirements has created discussions around the relationships between elements and the possible need for a hierarchy of elements. This topic may need to be given priority by the IASB.

- **Textblocks tagging:**



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## Feedback and Staff response

### Feedback

- monitor the implementation of the Text Block elements for the European Single Electronic Format (ESEF) Regulatory Technical Standard during 2023;
- review the list of text block tags in presentation group [800500] to ensure their scope is clear and identify the hierarchical relationships between the text block tags;
- specify in the Regulators' Guide an approach for regulators to implement text block tagging in a way that is expected to result in useful tagged information.

### Response

We are aware that there are some organisations which are reviewing the ESEF filings. We will continue to work with them to see if there is any need for improvement or guidance relating to the text block tagging.



# Future considerations - XBRL

- Textblocks use cases

**Case 1: "Disclosure checklist "**

**Case 2: "Disclosure navigation"**

**Case 3: "Disclosure text analysis"**

**Case 4: "Isolated rendering of the formatted content"**

**Case 5: "Disclosure numerical analysis" without detailed tagging**

- Technical requirements
- Filing rules
- Content requirements and limitations
- Comparability
- Audit scope



# Issue on validations

- Several types of validation, not all XBRL standard
  - Conformance suite
    - Free implementation by ESEF tools
  - IFRS Taxonomy formulas
    - Standard as part of IFRS taxonomy
  - Proprietary validations
    - Software vendors additional validations
  - DQC rules
    - XBRL US set of rules: « xules »

# Q & A

- You are welcome to:
  - Work group meeting tomorrow morning
  - Join the work group
  
- Contact: [eu-bptf@lists.xbrl.org](mailto:eu-bptf@lists.xbrl.org)