



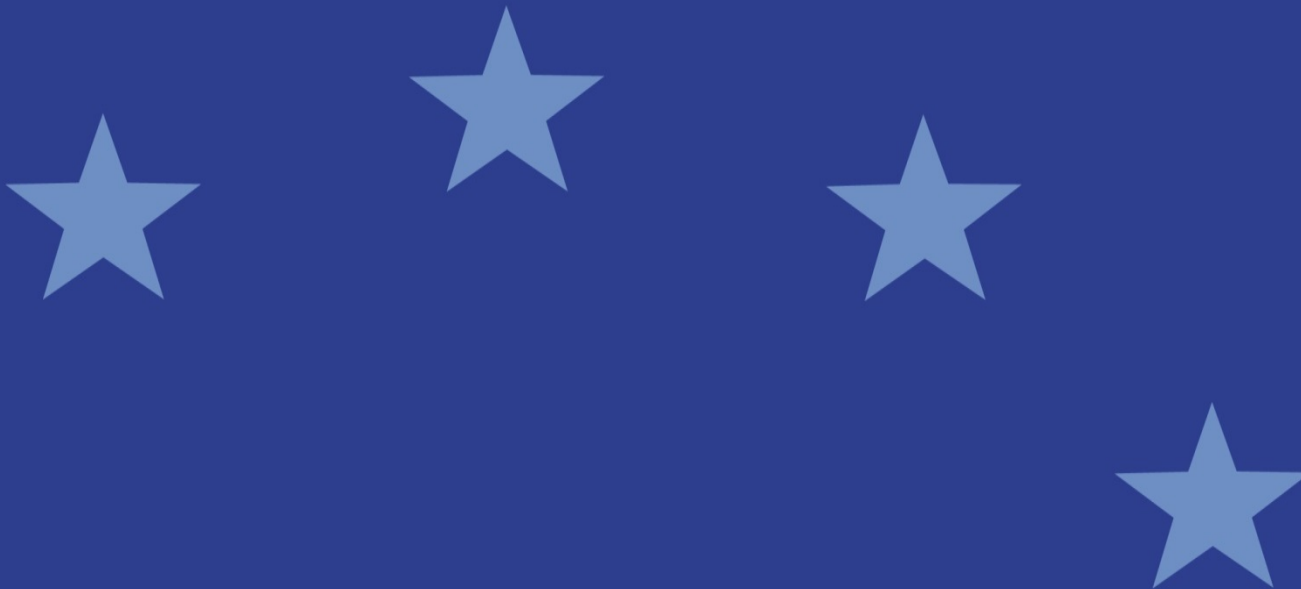
European Securities and
Markets Authority

ESMA REGULAR USE

31 March 2022

The European Single Electronic Format (ESEF)

Eduardo-Javier Moral Prieto





ESEF

- 1. General concepts & key requirements**
- 2. The production process of an ESEF XBRL report**
- 3. Next steps**



ESEF Mandate for ESMA

ESMA's mandate on the ESEF is contained in the revised **Transparency Directive***

- Article 4(7) states that

*“ESMA shall develop draft **regulatory technical standards** to specify the electronic reporting format”*

- Recital (26) points out that:

*A **harmonised** electronic format [...] would*

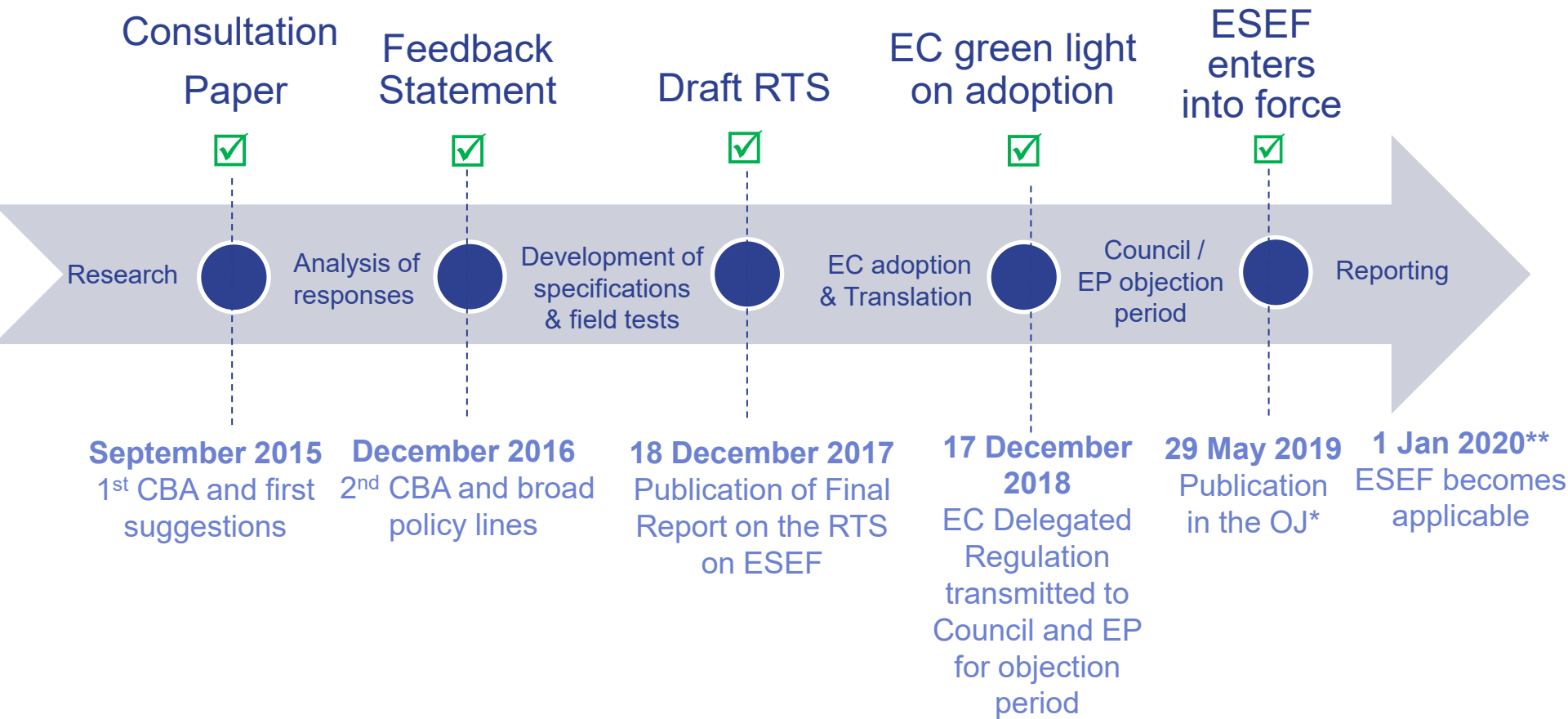
- *make reporting **easier***
- *facilitate **accessibility,***

analysis

*and **comparability** of annual financial reports.*

*Directive 2004/109/EC as revised by Directive 2013/50/EU

Overview of the development process



*Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format

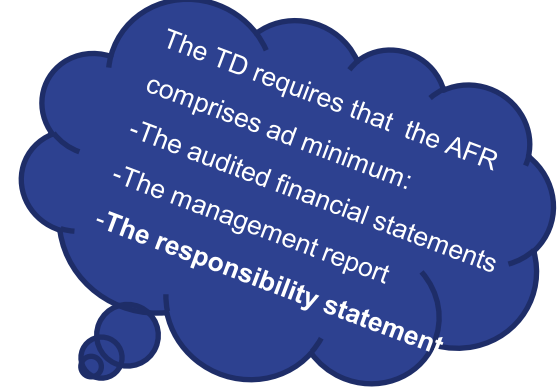


Key requirements of the ESEF

- **All AFRs shall be prepared in xHTML format + IFRS Consolidated Financial Statements** shall be marked-up using XBRL tags
- **1 document, 2 views:** Tags embedded in human readable document via the *InlineXBRL* technology
- **ESEF Taxonomy** = IFRS Taxonomy incl. limited ESMA customisation
- **Open taxonomy model:** the taxonomy can be extended if no existing IFRS tag exist which reflects the intended accounting meaning of the disclosure
- **Anchoring:** all extensions shall be anchored, i.e. “linked”, to the closest IFRS taxonomy element
- **Level of tagging:** detailed tagging of primary statements, block tagging of Notes (from 2022)
- ESEF Regulation to be **yearly updated** on the basis of IFRS taxonomy update
- **ESMA’s RTS do not deal with storage and dissemination of regulated information nor with assurance / audit of annual financial reports**



To whom do the ESEF requirements apply?



- To all issuers with securities admitted to trading on regulated markets under the obligation to present public annual financial reports (AFRs) shall be prepared in xHTML.
 - No additional obligations for preparers of individual financial statements only
 -  gleif-19ar
 - Annual financial reports containing consolidated financial statements (IFRS) shall be marked up → 
- To AFRs containing financial statements for financial years beginning on or after 1 January 2020*.
- Deadline for the publication set out in Article 4.1 of the TD remains unchanged.

* Please note the co-legislators introduced a Member-State option to delay the ESEF obligation by one year



What does an xHTML file look like

20161231_xBRLviewer.html

Financial statements

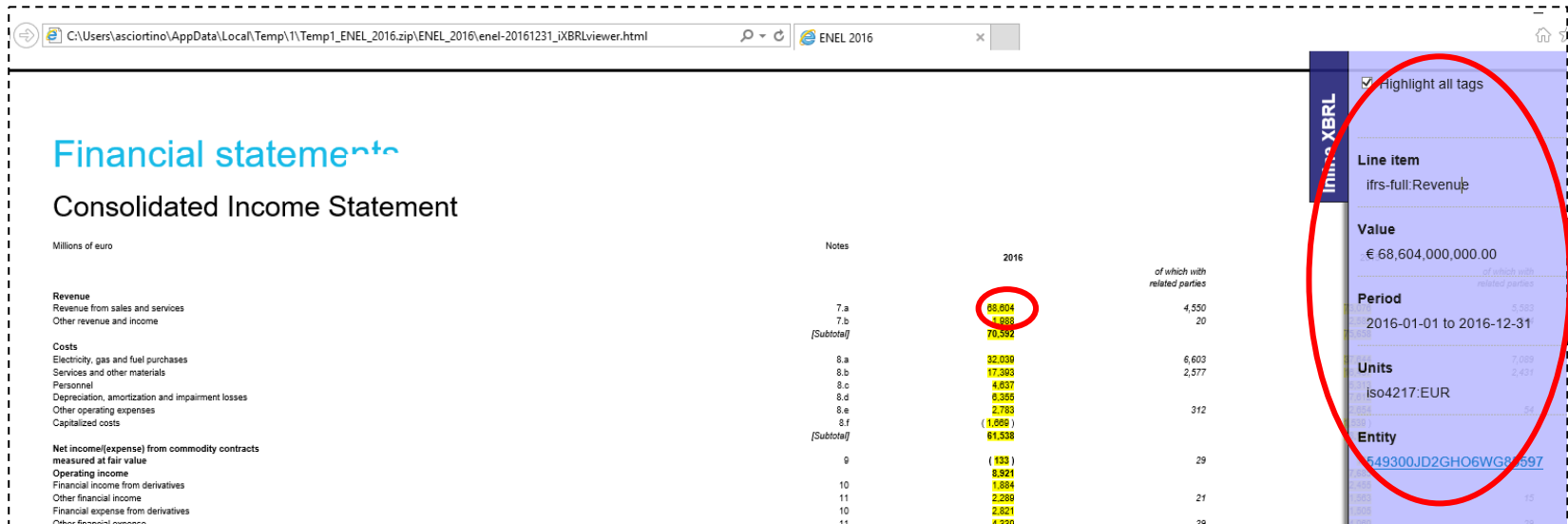
Consolidated Income Statement

Millions of euro

	Notes	2016	of which with related parties	2015	of which with related parties
Revenue					
Revenue from sales and services	7.a	68,604	4,550	73,078	5,583
Other revenue and income	7.b	1,988	20	2,582	314
	<i>[Subtotal]</i>	70,592		75,658	
Costs					
Electricity, gas and fuel purchases	8.a	32,039	6,603	37,844	7,089
Services and other materials	8.b	17,393	2,577	16,457	2,431
Personnel	8.c	4,637		5,313	
Depreciation, amortization and impairment losses	8.d	6,355		7,612	
Other operating expenses	8.e	2,783	312	2,654	54
Capitalized costs	8.f	(1,069)		(1,539)	
	<i>[Subtotal]</i>	61,538		68,141	
Net income(expense) from commodity contracts measured at fair value	9	(133)	29	168	(24)
Operating income		8,921		7,685	
Financial income from derivatives	10	1,884		2,455	
Other financial income	11	2,289	21	1,563	15
Financial expense from derivatives	10	2,821		1,505	

... like a standard web page

What do embedded XBRL tags look like



Financial statements
Consolidated Income Statement

Millions of euro

	Notes	2016	of which with related parties
Revenue			
Revenue from sales and services	7.a	68,604	4,550
Other revenue and income	7.b	1,688	20
	[Subtotal]	70,292	
Costs			
Electricity, gas and fuel purchases	8.a	32,059	6,603
Services and other materials	8.b	17,389	2,577
Personnel	8.c	4,697	
Depreciation, amortization and impairment losses	8.d	6,355	
Other operating expenses	8.e	2,783	312
Capitalized costs	8.f	(1,868)	
	[Subtotal]	61,338	
Net income/(expense) from commodity contracts measured at fair value	9	(133)	29
Operating income		8,821	
Financial income from derivatives	10	1,884	
Other financial income	11	2,289	21
Financial expense from derivatives	10	2,821	
	12	4,352	29

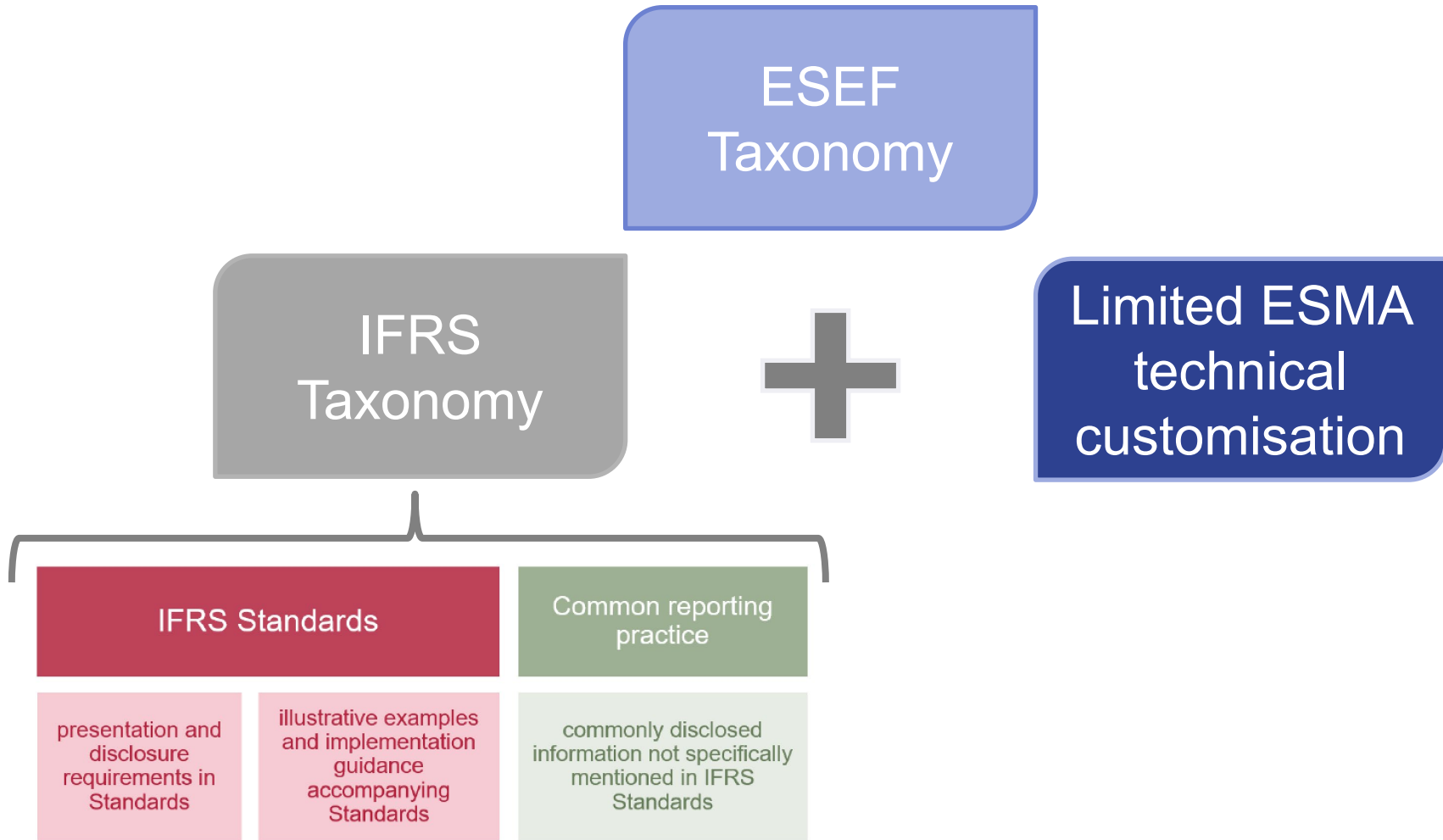
Inline XBRL

- Highlight all tags
- Line item**
ifrs-full:Revenue
- Value**
€ 68,604,000,000
- Period**
2016-01-01 to 2016-12-31
- Units**
iso4217:EUR
- Entity**
549300JD2GHO6WGR597

...like an additional layer of information that can be displayed when clicking on a certain tagged element

- In an iXBRL report, the XBRL tags are “hidden” within the xHTML document → it is an additional layer of information, which makes the document machine-readable other than human readable.
- The tags can be visualised using, for example, an Inline XBRL Viewer, which allows to display the tags (the purple banner) when clicking on a certain tagged element.

ESEF Taxonomy

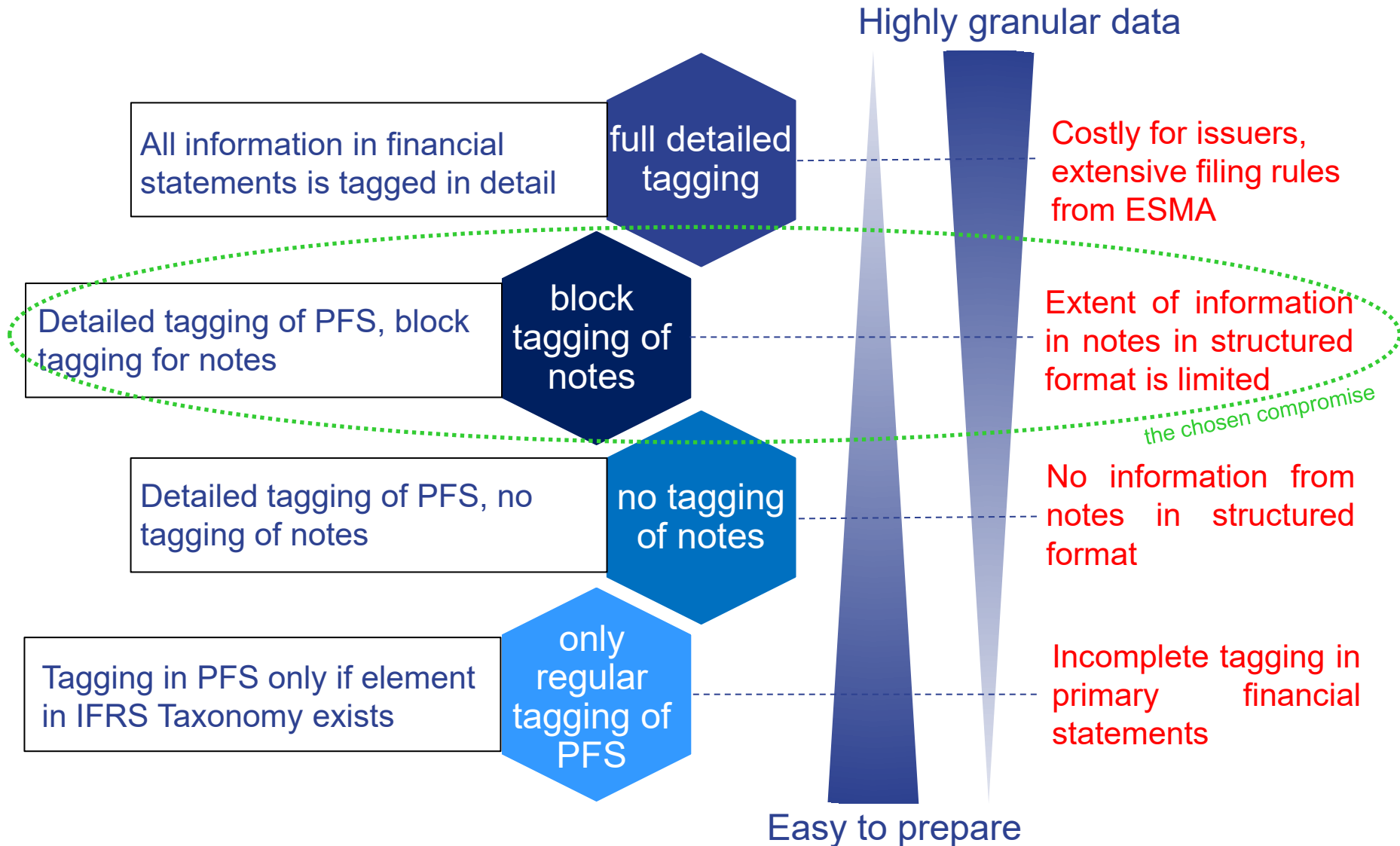




Marking-up disclosures (tagging)

- **Marking up** = applying to a disclosure the relevant XBRL tags
- Preparers shall mark-up their disclosures with the **taxonomy element** having the closest accounting meaning to marked up disclosure
- If the closest taxonomy element misrepresents the accounting meaning of the disclosure, issuers shall create an **extension taxonomy element**.
- Extension elements shall be **anchored to the core taxonomy element** that has the closest accounting meaning
 - Anchoring provides end-users with a better understanding of meaning of extension items and facilitate their usability in large-scale data analysis

Level of tagging required by ESEF RTS

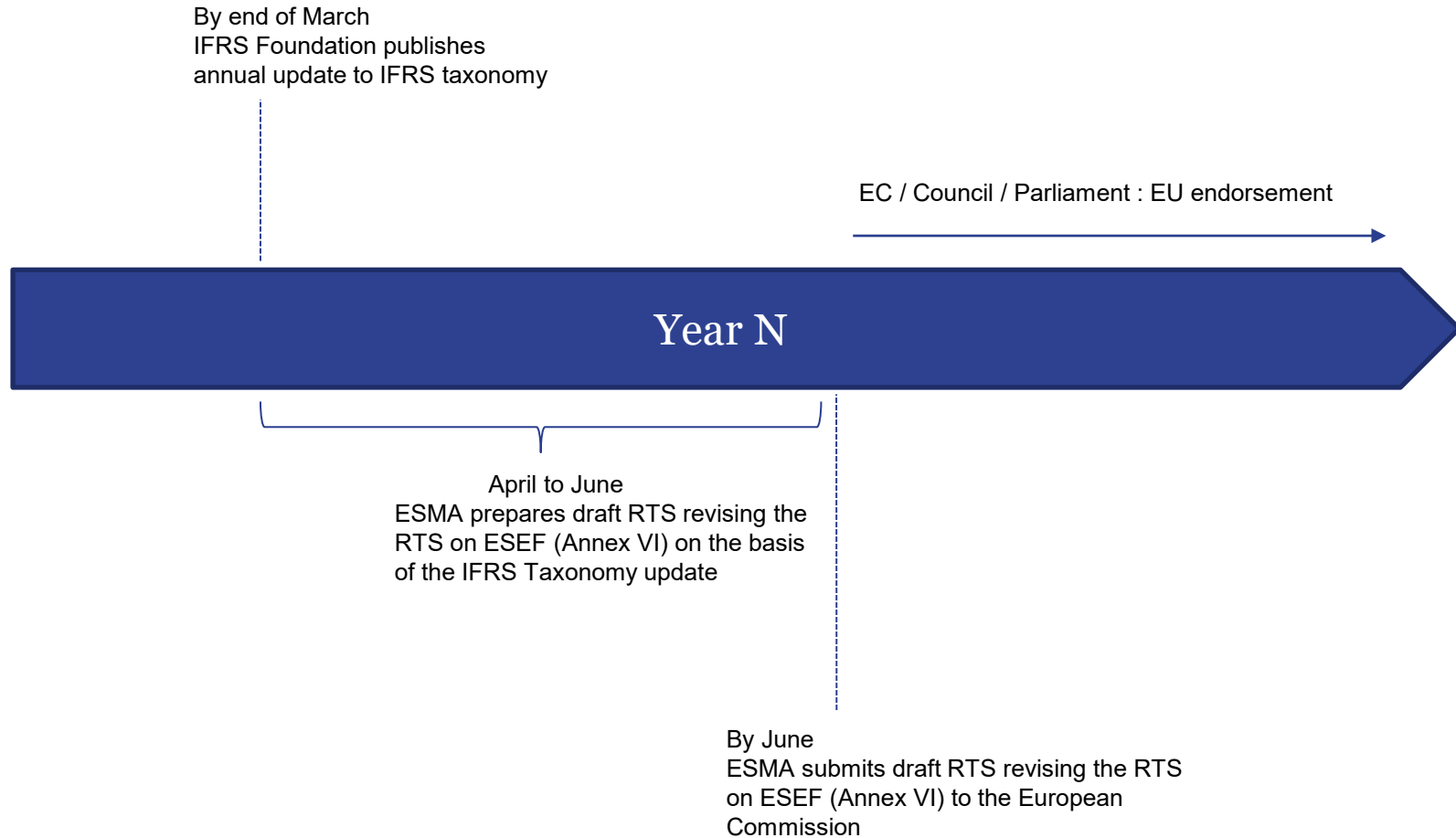




Level of tagging required by ESEF RTS

	IFRS consolidated FS	individual financial statements
primary financial statements	mandatory from 2020*	voluntary (if MS provides taxonomy)
block tagging of notes	mandatory from 2022	
detailed tagging of notes	voluntary	

RTS on ESEF – to be yearly updated





ESEF

1. General concepts & key requirements

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3. Next steps

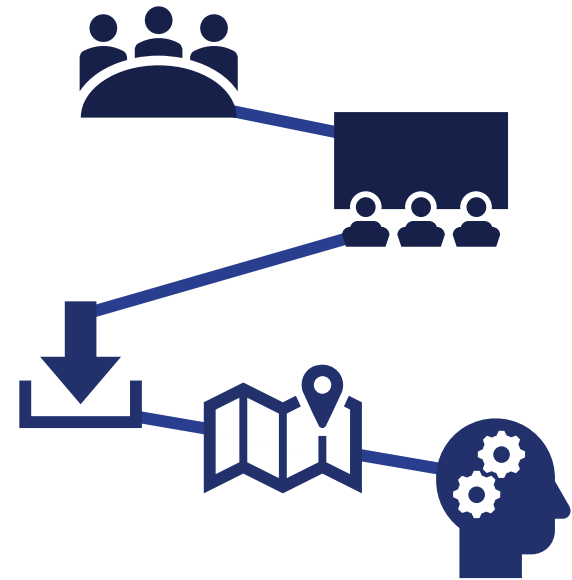
The production process of an iXBRL report

1

- Familiarise with the ESEF requirements
- Familiarise with the ESEF Taxonomy

2

Prepare a correlation table (mapping)
Apply base taxonomy tags
Assess the need to create an extension

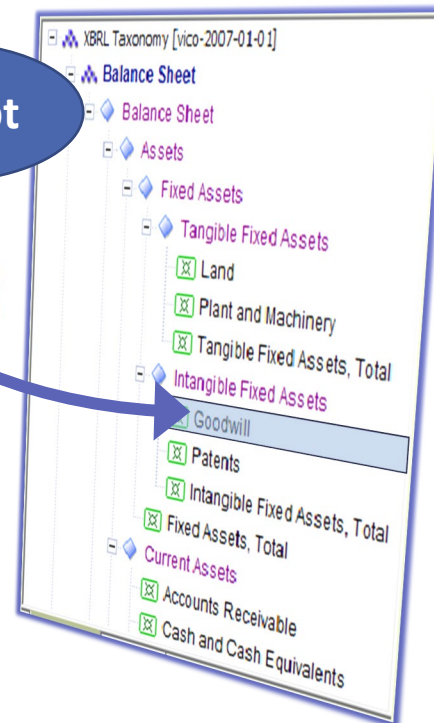


Preparing a correlation table (mapping)

Financial statements

	A	B	C
1	Account	Description	Type
2	11005	Goodwill	Balance
3	11010	Development	Balance
4	12020	Acquisition Plant Equipment	Balance
5	12030	Acquisition Plant Equipment this year	Balance
6	12040	Disposal Plant Equipment	Balance
7	12050	Accumulated Depreciations	Balance
8	12060	Depreciation this year	Balance
9	12070	Accumulated Write up	Balance
10	12080	Write up this year	Balance
11	12090	Accumulated Write Down	Balance
12	12100	Write down this year	Balance
13	12105	Reversal of Depreciation	Asset
14	16310	Trade Receivables - Domestic	Asset
15	16315	Trade Receivables - Foreign	Balance
16	16320	Other Receivables	

ESEF Taxonomy



Concept

Goodwill

Tagging Primary Financial Statements

- All numbers in a declared currency disclosed in the Primary Financial Statements need to be marked-up → detailed tagging requirement

CONSOLIDATED BALANCE SHEET

Assets

In € millions

Goodwill

Intangible assets

Flight equipment

Other property, plant and equipment

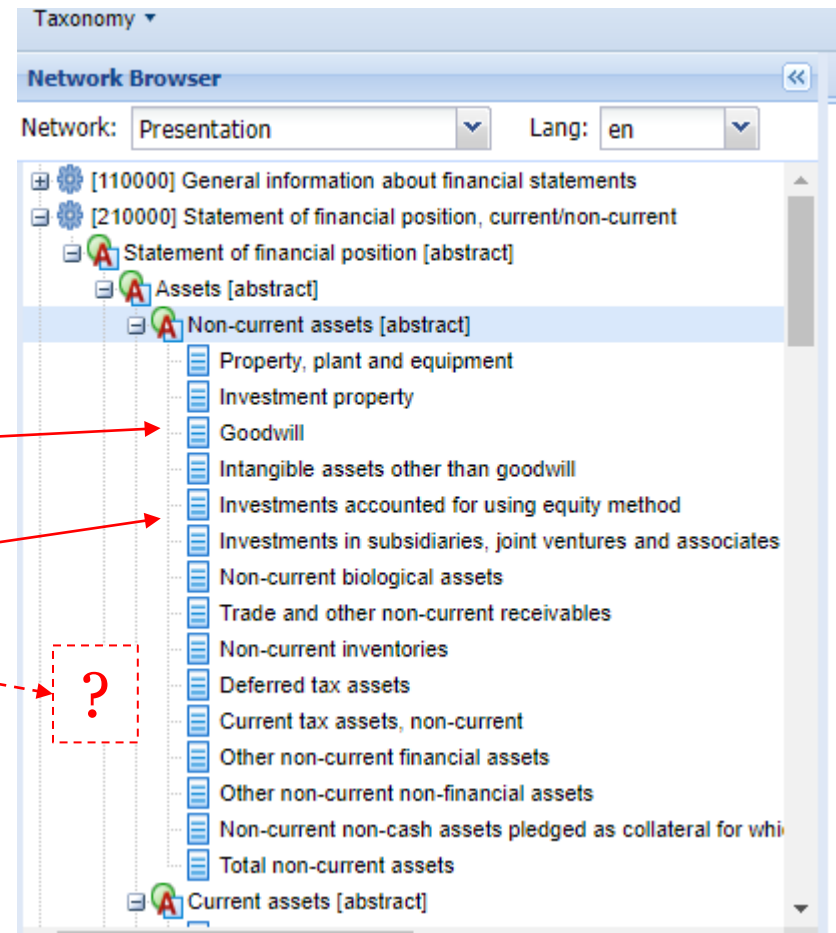
Investments in equity associates

Pension assets

Other financial assets

Deferred tax assets

Other non-current assets



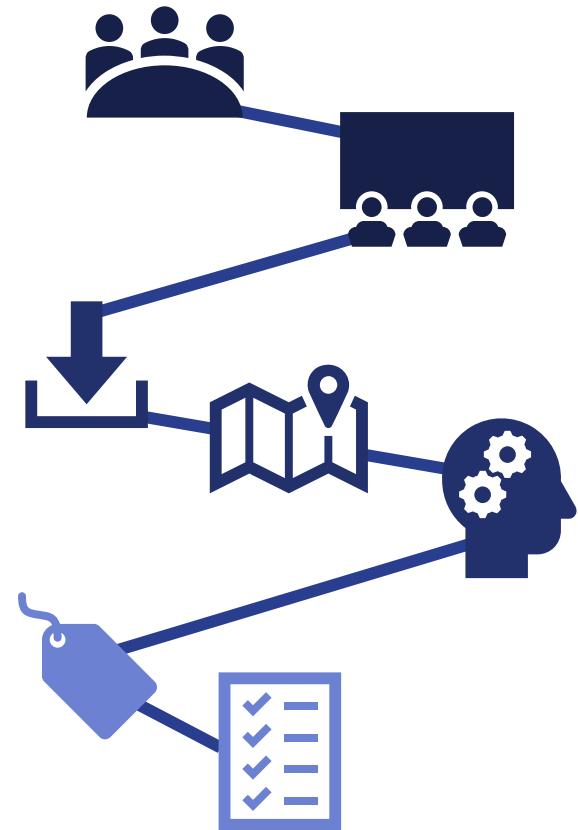
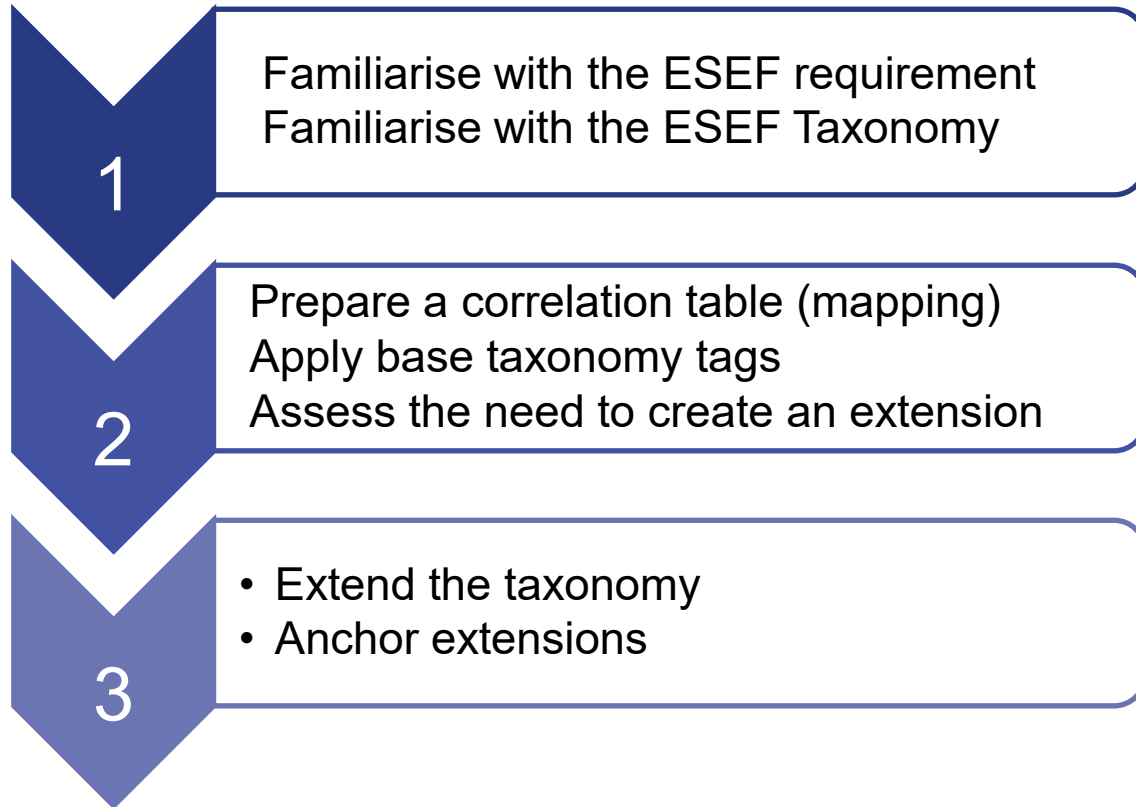
Taxonomy ▾

Network Browser

Network: Presentation ▾ Lang: en ▾

- [110000] General information about financial statements
- [210000] Statement of financial position, current/non-current
 - Statement of financial position [abstract]
 - Assets [abstract]
 - Non-current assets [abstract]
 - Property, plant and equipment
 - Investment property
 - Goodwill
 - Intangible assets other than goodwill
 - Investments accounted for using equity method
 - Investments in subsidiaries, joint ventures and associates
 - Non-current biological assets
 - Trade and other non-current receivables
 - Non-current inventories
 - Deferred tax assets
 - Current tax assets, non-current
 - Other non-current financial assets
 - Other non-current non-financial assets
 - Non-current non-cash assets pledged as collateral for whi
 - Total non-current assets
 - Current assets [abstract]

The production process of an iXBRL report





Extending the taxonomy and anchoring extensions

Example 1 : Balance Sheet of a European issuer

CONSOLIDATED BALANCE SHEET

Assets

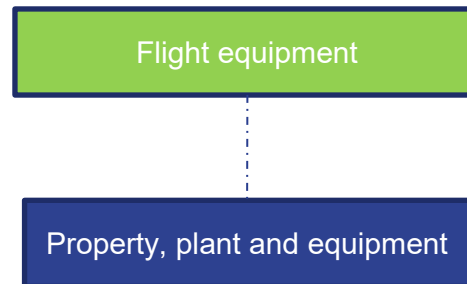
In € millions

Goodwill

Intangible assets

Flight equipment

Other property, plant and equipment



Wider anchor



Extension elements

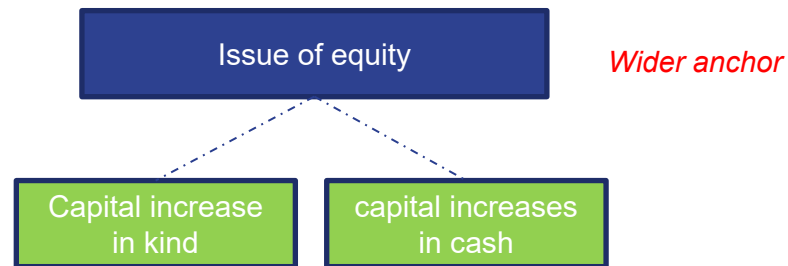


Elements contained in the IFRS Taxonomy



Disaggregation extensions

Example 2 : example from a Statement of changes of equity



Core taxonomy elements (contained in the IFRS Taxonomy)



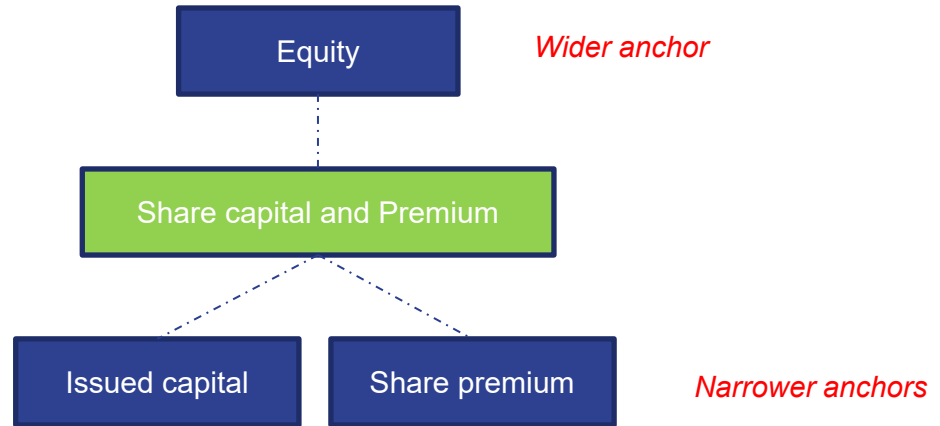
Extension element



Combination extensions

Example 3 : example from the Balance Sheet of a European issuer

Equity attributable to owners of the company
Share capital and Premium
Cumulative translation differences
Treasury shares
Retained earnings and other reserves
<hr/>
Total equity
<hr/>



Core taxonomy elements (contained in the IFRS Taxonomy)



Extension element

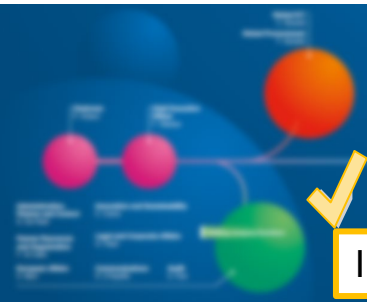
What to tag

Consolidated balance sheet

Assets

Assets	2020	2019
Intangible assets	1,864	1,864
Property, plant and equipment	1,000	1,000
Financial assets	1,000	1,000
Investments in equity instruments	1,000	1,000
Investments in debt instruments	1,000	1,000
Deferred tax assets	1,000	1,000
Other assets	1,000	1,000
Total assets	7,000	7,000

1,864 ✓



IMAGES ✓

Detailed tagging of PFS mandatory from 2020

DATA IN TEXT ✓

€131 ✓

Information by geographic area

At December 31, 2019

Assets	2019	2018	2017	2016	2015
Intangible assets	100	100	100	100	100
Property, plant and equipment	100	100	100	100	100
Financial assets	100	100	100	100	100
Investments in equity instruments	100	100	100	100	100
Investments in debt instruments	100	100	100	100	100
Deferred tax assets	100	100	100	100	100
Other assets	100	100	100	100	100
Total assets	600	600	600	600	600

(1) Excluding financial assets, derivatives and deferred tax assets ✓

FOOTNOTES ✓

Changes in accounting policies

New IFRS standards, amendments and interpretations effective as of January 1, 2017

- Amendments to IFRS 1 "Business combinations" - limited
- Amendments to IFRS 9 "Financial Instruments" - impairment of financial assets
- Amendments to IFRS 15 "Revenue from contracts with customers"

Block tagging of the Notes mandatory from 2022 ✓

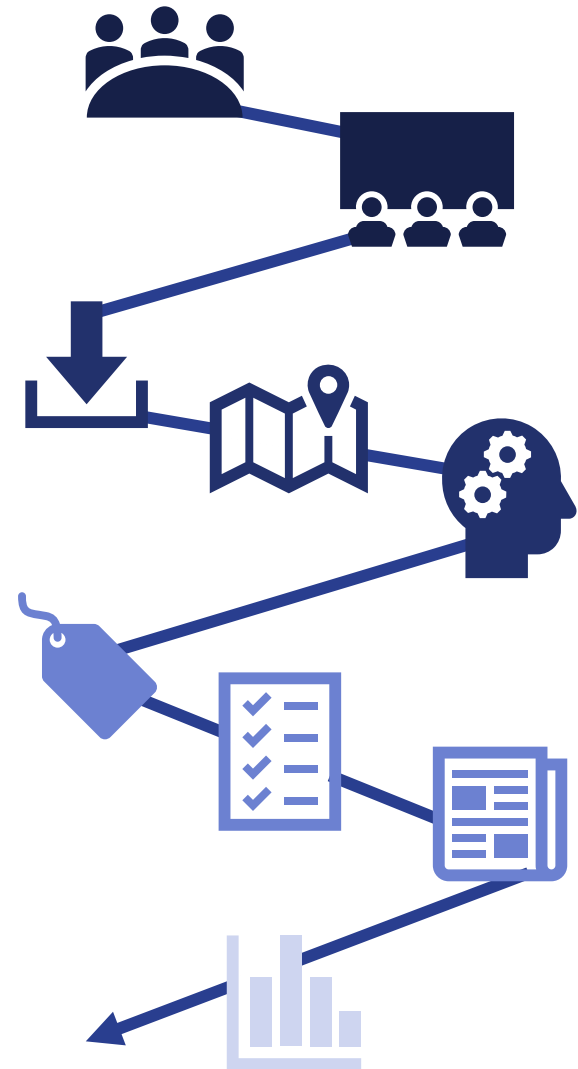
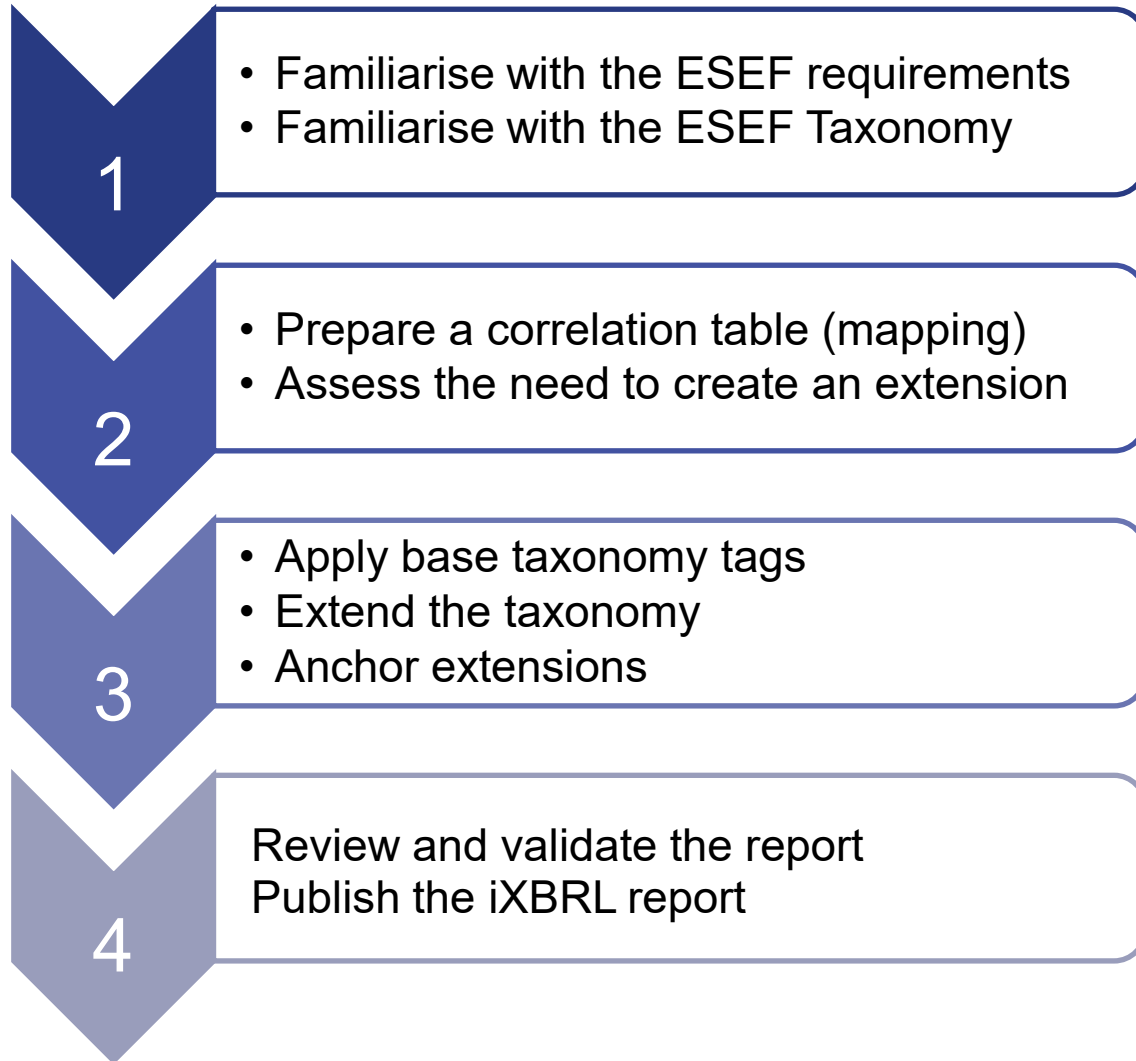


33% ✓

DATA IN GRAPHICS ✓

...on a voluntary basis

The production process of an iXBRL report





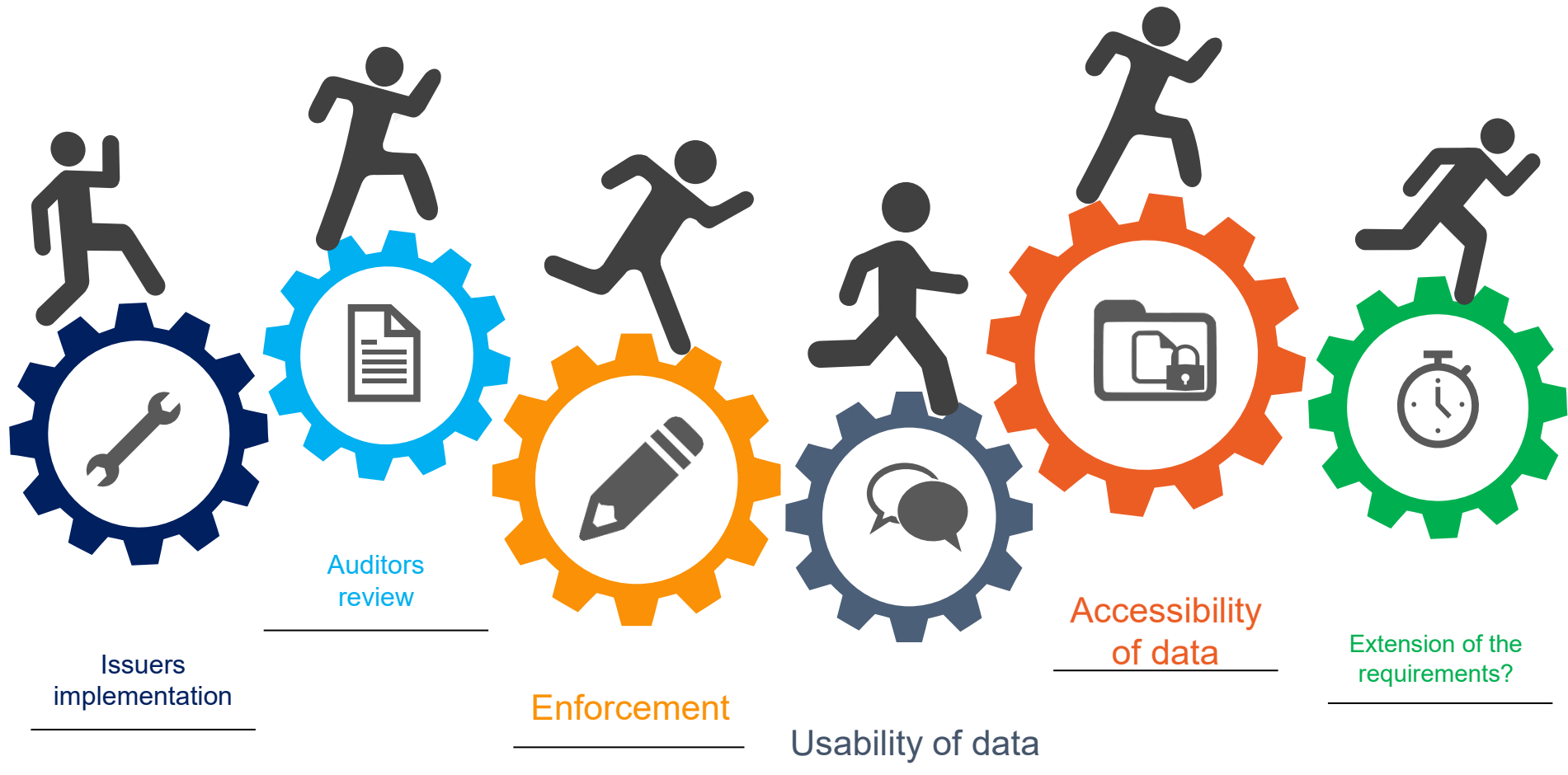
ESEF

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6 challenges ahead



Issuers
implementation

Auditors
review

Enforcement

Usability of data

Accessibility
of data

Extension of the
requirements?





Please note that the content of this presentation is based on staff considerations and was not formally approved by ESMA's board of supervisors and/or ESMA's chair



Thank you for your attention !