

» ESEF- factsheet - The most important facts at a glance «

What issuers need to know now about the new ESEF reporting format:

The European Single Electronic Format (ESEF) is a new reporting format uniform throughout the EU. As an implementation element of the Transparency Directive / EU Directive 2013-50-EU of 22 October 2013 on the regulation of European financial markets, it serves the purpose of increasing transparency and comparability in EU and EEA regulated markets.

What does the ESEF Regulation mean for issuers?

Listed companies in EU and EEA regulated markets are required to submit their annual financial statements digitally in a uniform, machine-readable reporting format from 1 January 2020. In practice, this means that financial reporting must be done in an XML language (inline eXtensible Business Reporting Language, iBRL for short). All figures and information from the previous financial statements will be provided with a standardized label (tag). These tags follow a clearly defined IFRS taxonomy, represented in the iXBRL language. It enables IT systems to read out annual financial statements/consolidated financial statements semi-automatically and process information further.

Who is affected by the ESEF reporting requirement?

In Germany, the companies affected are those that must prepare an annual financial report pursuant to Section 114 (1) sentence 1 Securities Trading Act and are subject to enforcement (currently approx. 550 companies). Across Europe, this affects around 7,500 companies; around 5,300 of these must carry out so-called tagging for their IFRS consolidated financial statements as part of the annual financial report.

Are there exceptions?

Yes, if the components are already disclosed (Section 114 (2) Securities Trading Act) in accordance with commercial law, the disclosure obligation of an annual financial report does not apply.

Is there a transitional period?

No. However, for financial years beginning on or after 1 January 2020, only the „Main Financial Statements“ such as the balance sheet, income statement, cash flow and statement of changes in equity need to be labelled. In addition, 10 disclosures from the notes must be labelled (essential information on the company such as name, registered office, legal form, etc.). According to Art. 4 No. 3 of the ESMA draft, the use of additional tags is optional.

For fiscal years beginning on or after January 1, 2022, the scope of the disclosure requirement is extended to include disclosures in the notes to the consolidated financial statements.

Where can the IFRS/ESEF taxonomy be found?

The IFRS taxonomy is available on the website of the International Accounting Standards Board (IASB). The corresponding taxonomy for ESEF is available on the ESMA website.

How and to whom will the consolidated financial statements be transmitted in future?

In Germany, the financial statements will continue to be transmitted to the Federal Gazette. Issuers can do this themselves or via a service provider.

Do you have any questions? We are here to help if you need!



Sven Schenkluhn
Director Compliance Services, Germany

Tel +49 89 210298-131
E-Mail sven.schenkluhn@eqs.com