

1. General information about respondent

Name of the company / organisation	The Danish Ministry of Industry, Business and Financial Affairs				
Are you representing an association?	<input type="checkbox"/>				
Country/Region	Denmark				
Activity	<input type="checkbox"/>	Information provider (issuer, undertaking or preparer) of corporate reports subject to digitalisation requirements in the EU	<input type="checkbox"/>	Public interest entity (entities governed by the law of an European Union Member State whose transferable securities are admitted to trading on a regulated market of any Member State; (ii) credit institutions; (iii) insurance undertakings, or (iv) entities designated by Member States as public-interest entities)	
			<input type="checkbox"/>	Non-public interest entity (large non-listed EU company, including large EU company with securities only listed outside EU regulated markets)	
			<input type="checkbox"/>	Non-public interest entity (large non-EU company with securities listed in EU regulated markets)	
			<input type="checkbox"/>	Non-public interest entity (SME listed in EU regulated markets)	
			<input type="checkbox"/>	Other (provide comment): Click here to enter text.	
	<input type="checkbox"/>	User of digitalised corporate reporting from EU companies	<input type="checkbox"/>	Investor	
			<input type="checkbox"/>	Data analyst	
			<input type="checkbox"/>	Data aggregator	
			<input type="checkbox"/>	Asset manager	
			<input type="checkbox"/>	Other (provide comment): Click here to enter text.	
<input type="checkbox"/>	Software provider				

	<input type="checkbox"/>	Auditor of corporate reporting subject to digitalisation requirements in the EU	
	<input checked="" type="checkbox"/>	Other (provide comments)	Government

2. Questions

1.1. Marking up sustainability reporting

Spørgsmål	Svar
<p>Question 1: Do you agree with the assessment framework and the manner in which the various elements and factors are to be considered in developing the marking up rules and the phased approach? If not, please explain your reasons and suggest any elements or factors that should be added or removed, or propose sound alternative assessment frameworks.</p>	<p>No.</p> <p>We do not agree with the assessment framework. We suggest that the assessment be based on the taxonomies capability to serve their purpose, as well as report user's need for tagged information, the costs for report preparers and the complexity/quality of tagging.</p> <p>The purpose of the sustainability taxonomies is to support machine reading of <i>comparable</i> disclosures, which is useful to data analysis and hence to investors' decision making.</p> <p>Not all current disclosures are exactly defined and thus comparable by machine analysis.</p> <p>Therefore, we propose that the assessment framework balance the report user's <i>documented</i> need for tagged information versus limiting administrative burdens for the report prepareres. Disclosures not demonstrated to be valuable to tag in detail create unnecessary administrative burdens on the companies.</p> <p>As there is no field test from EFRAG or ESMA, the costs and benefits of the taxonomies have not been adequately assessed, which in this case means the assessment framework has major deficiencies.</p> <p>Regarding interoperability with GRI, ISSB and other standards: It is relevant to assure, but overlaps of these standards are limited to only selected parts of the disclosures, and do not require detailed</p>

	<p>tagging to the extent proposed by ESMA. Therefore it should not overrule the principles of tagging. The important part is what is in demand from report users and thus an acceptable burden on the report preparer.</p> <p>The current Omnibus discussion highlights the need for reducing unnecessary administrative burdens, while at the same time confirming the overall common goals. We expect the ESRS to be revised as part of the Omnibus proposal and expect the taxonomies to be adjusted accordingly, with focus on what is essential to incentivise green investments while limiting the administrative burdens for the report preparers.</p>
<p>Question 2: Do you agree with the phased approach and the proposed timeline? Do you concur that the first phase should be implemented for the same financial year or the following financial year depending on the publication date of amendments to the RTS on ESEF in the OJ (before or after 30 June of the given year)? If not, please provide your reasons and suggest any well-founded alternative timelines for implementation.</p>	<p>No.</p> <p>We do not approve of an automatic phase-in, but propose that expanding the use of the taxonomies is made dependent upon evaluation.</p> <p>Evaluation of tagging should be part of the revision of the reporting standards and tagging requirements should only be expanded if it is shown to be beneficial to report users and proportional in terms of costs.</p> <p>We propose that the timeline is aligned with the revision of the ESRS standards every third year.</p> <p>We concur with the suggestion that the first phase should be implemented for the same financial year or the following financial year depending on the publication date of amendments to the RTS on ESEF in the OJ. This should however not be implemented before the omnibus is decided upon and the disclosure requirements are decided upon.</p>
<p>Question 3: Do you agree with only considering an additional staggered approach based on the type of large undertakings? If not, please explain your reasons and suggest alternatives or other factors that should be considered and why.</p>	<p>Yes.</p> <p>We believe it is a good idea to start with a staggered approach, which gives time to evaluate after the first year with the large listed undertakings, and prior to extending the requirements to other companies.</p>
<p>Question 4: Do you agree with the phases and the content to be marked up as outlined</p>	<p>No.</p>

<p>for each phase? If not, please provide your reasons and suggest any well-founded alternative regarding the content for each phase, together with the rationale behind your suggestions.</p>	<p>The content of the first phase should be based on the factual needs of the report users, following an analysis of user needs.</p> <p>Our recommendation, based on test tagging of sustainability reports from 2024 and interviews with report users, is to tag only what is valuable for machine analysis, which we conclude is:</p> <ul style="list-style-type: none"> • The material impacts, risks and opportunities, • Numerical information • Accounting principles
<p>Question 5: Do you think it is necessary to establish a clear timeline and content for each phase from the outset? If not, please explain your reasons and propose alternative approaches.</p>	<p>No.</p> <p>The content of the first phase should be based on the factual needs of the report users, following an analysis of user needs.</p> <p>Any timeline and phases cannot be finalised until evaluation of the previous phase. The evaluation must consider costs, quality and users needs.</p>
<p>Question 6: Do you agree with the approach to limit the creation of extension taxonomy elements for marking up sustainably reports? If not, please explain your reasons and suggest alternative approaches.</p>	<p>No.</p> <p>Extensions should not be used as they cannot be used for comparability.</p> <p>A mechanism should be developed to identify and incorporate any further needs identified into the taxonomy. This should be part of the evaluation process.</p>
<p>Question 7: Do you agree with the inclusion of a review clause that would trigger stock-taking by ESMA on the need to make necessary adjustments in response to changing circumstances? If not, please explain your reasons.</p>	<p>No.</p> <p>The review should not only be limited to monitoring developments, but should also include an evaluation of the costs to the preparers, the needs of the users and the data quality.</p> <p>As field tests have not been prepared, such evaluations are required to address any deficiencies, unnecessary costs and poor data quality.</p>

1.2. Marking up Article 8 sustainability disclosures 8

Spørgsmål	Svar
Question 8: Do you agree with having a closed taxonomy for Article 8 sustainability disclosures? If not, please explain your reasons and provide examples on when entity-specific extensions might be necessary.	Yes.
Question 9: Do you agree with the proposed requirement to fully mark up the Article 8 sustainability disclosures without implementing a phased approach in relation to the content of the information to be marked up? Do you agree with only considering a staggered approach based on the type of large undertakings? If not, please explain your reasons and suggest alternative approaches.	Yes.
Question 10: Do you support the requirement to mark up the Article 8 sustainability disclosures for the same financial year or the following financial year depending on the publication of the RTS on ESEF in the OJ and align it with the sustainability marking up? If not, please provide your reasons and suggest alternative approaches.	Yes.
Question 11: Do you agree with the inclusion of a review clause that would trigger	No.

stock-taking by ESMA to consider any necessary adjustments in response to the evolving circumstances? If not, please provide your reasons.	<p>The review should not only be limited to monitoring developments, but should also include an evaluation of the costs to the preparers, the needs of the users and the data quality.</p> <p>As field tests have not been prepared, such evaluations are required to address any deficiencies, unnecessary costs and poor data quality.</p>
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1.3. Common technical aspects: incorporating the ESRS and Article 8 digital taxonomies into the ESEF taxonomy framework

Spørgsmål	Svar
Question 12: Do you agree with the technical approach followed by ESMA with regards to incorporating ESRS and Article 8 digital taxonomies from EFRAG into the ESEF taxonomy framework?	<p>No.</p> <p>The current ESEF taxonomy is based on a mature, stable and well-known accounting framework.</p> <p>In contrast, the sustainability regulation and standards are new and immature, and there is not common interpretations of all the disclosure requirements.</p> <p>The proposed RTS is thus combining three very distinctive taxonomies with few, if any common features, and the business value of incorporating the three taxonomies has not been demonstrated. The risk in incorporating these very distinctive taxonomies is that any updates might not take place at the same time, as updates for the individual parts are most efficiently done together with revision of disclosure requirements, which are not likely to be simultaneously for the three regulations.</p> <p>It is important to keep separate entry points to the taxonomies, to ensure flexibility for the report preparers and to avoid any unnecessary complications for them. This is particularly relevant as listed companies are mandated to use the existing ESEF-taxonomy, but non-</p>

	<p>listed companies are not, but both are at some point expected to use the sustainability taxonomies.</p>
<p>Question 13: Should ESMA consider using the EFRAG taxonomy files 'as-is' and without developing a 'technical' extension, similar to the one developed for IFRS accounting taxonomy scope?</p>	<p>No.</p> <p>Using the EFRAG taxonomy as-is will include the mistakes and misunderstandings in the EFRAG taxonomy. Please refer to the response from the Danish Government to EFRAGs consultation on the draft taxonomies.</p> <p>The ESRS and art. 8-taxonomies should be simplified with focus on reducing administrative burdens for the reporting entities and enhancing quality, by both limiting the number of tags and the technical complexity.</p> <p>The RTS should not require the use of entity specific extensions.</p>
<p>Question 14: Do you have any other suggestions in relation to the future ESEF taxonomy framework and how ESMA can further reduce the burden for the reporting entities?</p>	<p>We suggest that the ESRS and the art. 8-taxonomies are simplified with focus on reducing administrative burdens for the reporting entities by both limiting the number of tags, dimensions and the technical complexity. The reporting entities should only tag what is in demand for machine reading by the report users.</p> <p>Please refer to the attached consultation letter and test report.</p>

1.4. Marking up the Notes to the IFRS consolidated financial statements

Spørgsmål	Svar
<p>Question 15: Do you agree that it is necessary to revise the marking up rules for the Notes to the IFRS consolidated financial statements? If not, please explain your reasons.</p>	<p>No. Introducing marking up of the notes could be an additional burden to the preparers. Before any such decision is made, the first step should be to conduct a survey amongst the users to identify whether this is need. Then there should be a fieldtest of the proposed changes in order to estimate the costs to the prepareres. Finally it should be evaluated, if the gains to the users outweigh the costs put upon the preparers.</p> <p>In the current situation, where the preparers over time have faced increasing reporting obligations and where there is a broad consensus of the need to simplify the regulation, it is very important, that no extra burdens are put on prepareres unless it can be proven strictly necessary.</p>
<p>Question 16: Do you agree with the phased-in approach and the proposed timeline? Do you also agree that the first phase should take effect with the annual financial report for the financial year when the amendment to the RTS on ESEF is published in the OJ before 30 September of the given year? If not, please explain your reasons and suggest any alternative timelines for the implementation.</p>	<p>Not relevant as a result of question 15</p>
<p>Question 17: Do you agree with the content outlined for phase one? Specifically, do you support the proposed approach to text block mark up the Notes to the IFRS consolidated financial statements? If not, please provide your reasons and suggest alternatives to marking up text blocks in the Notes to the IFRS consolidated financial statements.</p>	<p>Not relevant as a result of question 15</p>

<p>Question 18: Do you agree with the content outlined in phase two? Do you think there is added value in detailed marking up of the Notes to the IFRS consolidated financial statements, particularly for all figures in a declared currency within the tables? Do you think that detailed tagging of numerical elements for which issuers should create extensions because there is no corresponding core taxonomy element provide added value? If not, please provide your reasons and suggest alternatives to detailed-marking up the Notes to the IFRS consolidated financial statements.</p>	<p>Not relevant as a result of question 15</p>
<p>Question 19: Do you agree with the proposal to remove the current list of mandatory core taxonomy elements outlined in Annex II of the RTS on ESEF and replace it with a more concise and targeted list of mandatory taxonomy elements? If not, please explain your reasons.</p>	<p>Yes, however the mandatory list should be identical to the mandatory items required by the ESAP regulations</p>
<p>Question 20: Do you agree with the proposed list of mandatory elements? If not, please provide your reasons and suggest any elements that should be removed or added.</p>	<p>Yes, however the mandatory list should be identical to the mandatory items required by the ESAP regulations</p>
<p>Question 21: Do you agree with the revised approach towards the creation of extension taxonomy elements for the Notes to the IFRS consolidated financial statements and the principles outlined? If not, please explain your reasons and suggest alternatives.</p>	<p>No. Introducing marking up of the notes would be an additional burden to the reporters. Before any such decision is made, a survey should be done amongst the users to identify whether this is need. See also our answer to question 15, that is closely related to this question.</p>

Question 22: Do you agree with the inclusion of a review clause that would trigger stock-taking by ESMA to consider any necessary adjustments in response to the changing circumstances and to bundle these adjustments with other updates where feasible? If not, please explain your reasons.	Yes, regular evaluation of the taxonomies should be undertaken
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1.5. Targeted improvements to the existing drafting of the RTS on ESEF

Spørgsmål	Svar
Question 23: Do you agree with the proposals for the targeted amendments to the RTS on ESEF? If not, please explain your reasons and suggest alternatives. In your response, reference specific proposals by proposal number.	<p>Yes, but with some clarification.</p> <p>Proposal 1: could be more precise: Change “defines enumeration values” to “relationship to enumeration values”.</p> <p>Proposal 6 and 7: change ifrs to ifrsat to identify the correct taxonomy</p> <p>Proposal 10: can give an issue in terms of calculations within the calculation linkbase. This might give rise to calculation errors.</p> <p>Proposal 11: Point 5 and 6 are intrinsically connected. It is either none of the two points or both.</p> <p>Proposal 12: is a good idea. The ESRS and the Art. 8 basic taxonomy should have the same requirements.</p>
Question 24: Are there any additional targeted amendments that could be brought to	No.

the RTS on ESEF which are not considered in this proposed list? If yes, please provide additional comments, providing specific references to the RTS on ESEF and concrete wording proposals for ESMA to take into consideration.	
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Amendments to the RTS on the European Electronic Access Point (Delegated Regulation 2016/1437)

Spørgsmål	Svar
Question 25: Do you agree that it is necessary to amend the RTS on EEAP and with the way ESMA proposes to do so? If not, please explain your reasons.	No comments.
Question 26: Do you agree with content of the proposed amendments to the RTS on EEAP? If not, please explain in which regards to you disagree and illustrate any alternative proposal.	No comments.

1.6. Annex II. Draft Cost/Benefit Analysis on the RTS on ESEF

Spørgsmål	Svar
Question 27: Do you agree with ESMA's high-level understanding of an approximate monetary cost associated with marking up disclosures in IFRS consolidated financial	No. We do not find the costs of marking up the IFRS as relevant to estimate costs of marking up the sustainability report.

<p>statements and the Notes to the IFRS consolidated financial statements? If you have a different view on the approximate average monetary cost per markup, please supply supporting data.</p>	<p>The IFRS is a well established accounting framework which support common interpretation of what reporting requirements means and common understanding of how to report, and thus has a maturity which the ESRS does not have. It means that tagging the financial statements can be done by a full-service tagging provider, without extensive involvement of the reporting company regarding interpretations and choice of tag.</p> <p>The sustainability regulations and standards are new and complex, without common interpretation of all disclosures. Our test tagging reveals that the reporting company spends considerable time on preparing the sustainability report for external tagging, which involves considerations and decisions, which takes time and amounts to substantial costs, not recognised by ESMA's estimate.</p> <p>In our test of the ESRS XBRL-taxonomy, we found that tagging narrative information takes approximately four times longer than tagging numerical metrics.</p> <p>Given that around 70% of the ESRS standards consist of narrative data points, ESMA's assumption of 25% increase of cost in tagging sustainability reports compared to the financial statement is not credible.</p>
<p>Question 28: Do you agree with ESMA's high-level understanding of an approximate monetary cost per markup and other additional costs associated with marking up disclosures of sustainability reporting? If you have a different view on the approximate average monetary cost per markup, please supply supporting data.</p>	<p>No.</p> <p>ESMA estimates that tagging of the sustainability data points require 1,5 times the cost per XBRL data point compared to the financial statement.</p> <p>However, ESMA's estimate does not sufficiently account for the complexity of the sustainability taxonomies, compared to the existing ESEF taxonomy. The unique tags in the financial statements are simpler to use, while many unique sustainability tags require the ascription of various information (additional dimensional properties)</p> <p>As noted in our response to question 27, our field test revealed that tagging narrative information takes approximately 4 times longer than tagging numerical metrics.</p>

	<p>Furthermore, our test demonstrated that fully outsourcing the tagging process to a full-service provider is not viable:</p> <ul style="list-style-type: none"> • The test confirms that the taxonomies are unnecessarily complex and difficult to use for both reporting companies and the full-service tagging provider, which results in mistakes and reduces the quality of tagged disclosures. • The test estimated that time spent on tagging the full reports may be between 70 and 225 hours, which is up to 3 times what ESMA assumes. • 1/3 of the time was spent by the reporting company, as tagging presupposes detailed ESG-knowledge, judgement and decision. • The estimates are conservative, as tagging was not pursued until mistakes were eradicated. <p>We therefore find it reasonable to question ESMA's assumption, that it is realistic to have a full externalisation of the ESEF filing to full service providers, without a substantial (and time consuming) contribution from the reporting company in judgements regarding choice of tags to employ.</p>
<p>Question 29: Do you agree with the above-mentioned possible costs and benefits developed by ESMA with respect to defining the rules to mark up the sustainability statements? Which other types of costs or benefits (qualitative and/or quantitative) would you consider in that context?</p>	<p>No.</p> <p>In our test of the ESRS XBRL-taxonomy, we conducted in-depth interviews with two data providers and one institutional investor. Together, we reviewed the sustainability reports of the companies included in the tagging test, to determine which information needed to be XBRL-tagged in detail.</p> <p>The interviews revealed that the report users only demand detailed tagging of the material IROs, numerical metrics and accounting policies, which constitute around 20 percent of the sustainability disclosure. Around 80 percent of the sustainability reports are narrative information which is primarily unstructured and thus has limited value in a machine-readable format – and should not be tagged in detail, but rather in blocks.</p> <p>In order to strike an appropriate balance between costs and benefits, our recommendation is:</p> <ul style="list-style-type: none"> • Simplify the taxonomy to reduce both tagging errors and costs.

	<ul style="list-style-type: none"> • Only tag what is valuable for machine analysis, i.e.: The material impacts, risks and opportunities, as well as numerical information and accounting principles. • Evaluate tagging as part of the revision of the reporting standards and extend tagging requirements only if it is beneficial to report users and proportionate in terms of costs.
Question 30: Do you agree with the above-mentioned possible costs and benefits developed by ESMA with respect to the use of a list of mandatory elements for marking up the sustainability statements? Which other types of costs or benefits (qualitative and/or quantitative) would you consider in that context?	No comments.
Question 31: Do you agree with the above-mentioned possible costs and benefits developed by ESMA with respect to defining the rules for marking up Article 8 sustainability disclosures in the sustainability statements? Which other types of costs or benefits (qualitative and/or quantitative) would you consider in that context?	No comments
Question 32: Do you agree with the above-mentioned possible costs and benefits developed by ESMA with respect to the review of the current marking up approach for the Notes to the IFRS consolidated financial statements? Which other types of costs or benefits (qualitative and/or quantitative) would you consider in that context?	No comments
Question 33: Do you agree with the above-mentioned possible costs and benefits developed by ESMA with respect to the review of the list of mandatory elements under Annex II to RTS on ESEF? Which other types of costs	No comments

or benefits (qualitative and/or quantitative) would you consider in that context?	
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Annex III. Draft Cost/Benefit Analysis relating to the amendment to the RTS on the EEAP

Spørgsmål	Svar
Question 34: Do you agree with the assessment of costs and benefits developed by ESMA with respect to the review of the RTS on EEAP?	No comments

Annex IV. Legal text RTS on ESEF

Spørgsmål	Svar
Question 35: Do you agree with the proposed drafting amendments to the RTS on ESEF? If not, please explain your reasons and suggest alternatives. In your response, reference specific sections and paragraphs of the RTS on ESEF (i.e., Annex III, paragraph 1).	No. We do not agree that the legal text RTS can be drafted until the consultation has been finalised and the text reflects the changes as a result of the consultation.
Question 36: Are there any additional drafting amendments that could be brought to the RTS on ESEF which are not considered in this draft legal text? If yes, please provide additional comments, providing specific refer-	We do not agree that the legal text RTS can be drafted until the consultation has been finalised and the text reflects the changes as a result of the consultation.

ences to the RTS on ESEF, underlying reasoning and concrete wording suggestions for ESMA to take into consideration.	
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