



To the attention of

European Securities and Markets Authority (ESMA)

31 March 2025

Subject: PwC response to Consultation on the ESEF RTS for sustainability reporting and on the amendments to the EEAP RTS

Dear Sir/Madam,

PricewaterhouseCoopers International Limited (PwCIL) on behalf of the PwC network¹, welcome the opportunity to respond to the public consultation on the Regulatory Technical Standards (RTS) on the European Single Electronic Format (ESEF) for sustainability reporting and on the amendments to the RTS for the European Electronic Access Point (EEAP). In this letter, we have provided some further insights into certain key topics covered by the consultation questionnaire.

Alignment with financial reporting

Our main recommendation to EU policymakers is to consider the harmonization of tagging requirements for *financial* reporting across the EU. Some member states mandate these requirements for large non-public interest entities (non-PIEs), while others do not enforce such regulations. In contrast, there is a consistent approach for the tagging of sustainability reporting for companies in scope of the Corporate Sustainability Reporting Directive (CSRD).

We recommend allowing and enabling the use of tagged financial information for non-PIEs as soon as their annual financial reporting comes in scope of the EEAP. This approach would enable comprehensive digital analysis of their complete annual financial reporting, rather than limiting it to one part of it. The ESEF framework could effectively support this initiative by allowing the use of non-IFRS financial reporting taxonomies, provided they are endorsed by a member state. As an alternative, policymakers could consider allowing non-PIEs not to do any XBRL tagging for sustainability report (and thus align with financial reporting).

Finally, we believe that a transparent and comprehensive due process is essential for developing and maintaining a high-quality EU digital taxonomy.

¹ The PwC network consists of firms which are separate legal entities. The firms that make up the network are committed to working together to provide quality service offerings for clients throughout the world. Firms in the PwC network are members in, or have other connections to, PricewaterhouseCoopers International Limited (PwCIL), an English private company limited by guarantee. PwCIL does not practise accountancy or provide services to clients. Rather its purpose is to facilitate coordination between member firms in the PwC network. A member firm cannot act as agent of PwCIL or any other member firm, cannot obligate PwCIL or any other member firm, and is liable only for its own acts or omissions and not those of PwCIL or any other member firm. Similarly, PwCIL cannot act as an agent of any member firm, cannot obligate any member firm, and is liable only for its own acts or omissions.

Suggestion for simplification of tagging

We believe that the proposed rules for phase 1 contain flaws that could adversely affect the usability of data and will most likely cause significant debates regarding their precise application.

1. The new approach segments the data without providing the technical possibilities to reconstruct "broader" tags (which are the closest accounting meaning for some parts), along with necessary contextual information. Please refer to the slides in Annex I for clarification on this issue. While there have been suggestions regarding the "reconstruction" of the report by using XBRL, we believe that this does not work out similarly, as demonstrated in Slide 3 of the attached materials.
2. Currently, there are approximately 250 applicable Concepts; however, the new approach would increase this number to around 500 Applicable text block Concepts (based on the 2024 IFRS Taxonomy, there could be approximately 1300 additional string Concepts if included in the rule)

We also have concerns regarding the content of the rework of tagging rules for phase. For instance, when looking at a detailed example for a SEC tagging (example here: [downloadable 2023 SEC Form 20-f of DB](#)), which performs a detailed tagging similar as described for phase 2, we note that it includes 12.648 quantitative facts and 313 narrative facts marked up (in comparison to ~800 facts in the current ESEF Reports).

Given that the ESEF Report is bound to a very tight timeline, this could lead to significant timing challenges in report preparation. Additionally, the ESEF Report and the iXBRL content are currently audited in most EU member states, shortening the timeframe even more. Looking at the SEC Filings (unaudited) we often find errors in the XBRL across many files, just like the number of errors identified with current clients' ESEF filings. This only emphasizes the importance of assurance. Additionally, there are significant amounts of extensions needed for detailed tagging of the Notes, reducing the comparability and often used to "work around" the Data Quality Committee (DQC) Ruleset, intended to ensure the quality of the data.

The German iXBRL Working group has put forward some proposals to enhance the usability of the tagged data while considering the practicality of the tagging process. We believe these proposals could serve as a valuable input for further discussion and should be available in due course.

Finally, we also support the simplification of the labeling of the notes in the memo that is being carried out, to more closely resemble the SEC model, incorporating a text-block type label for each note or section thereof. By avoiding multiple labeling, it becomes much more organized, navigable, and easy to process, which aligns with the European Union's ongoing efforts to simplify regulatory frameworks.

If you would like to discuss any point that we have raised in this letter, please do not hesitate to contact Willem Geijtenbeek at willem.geijtenbeek@pwc.com or Anton Heitz at anton.heizt@pwc.com.

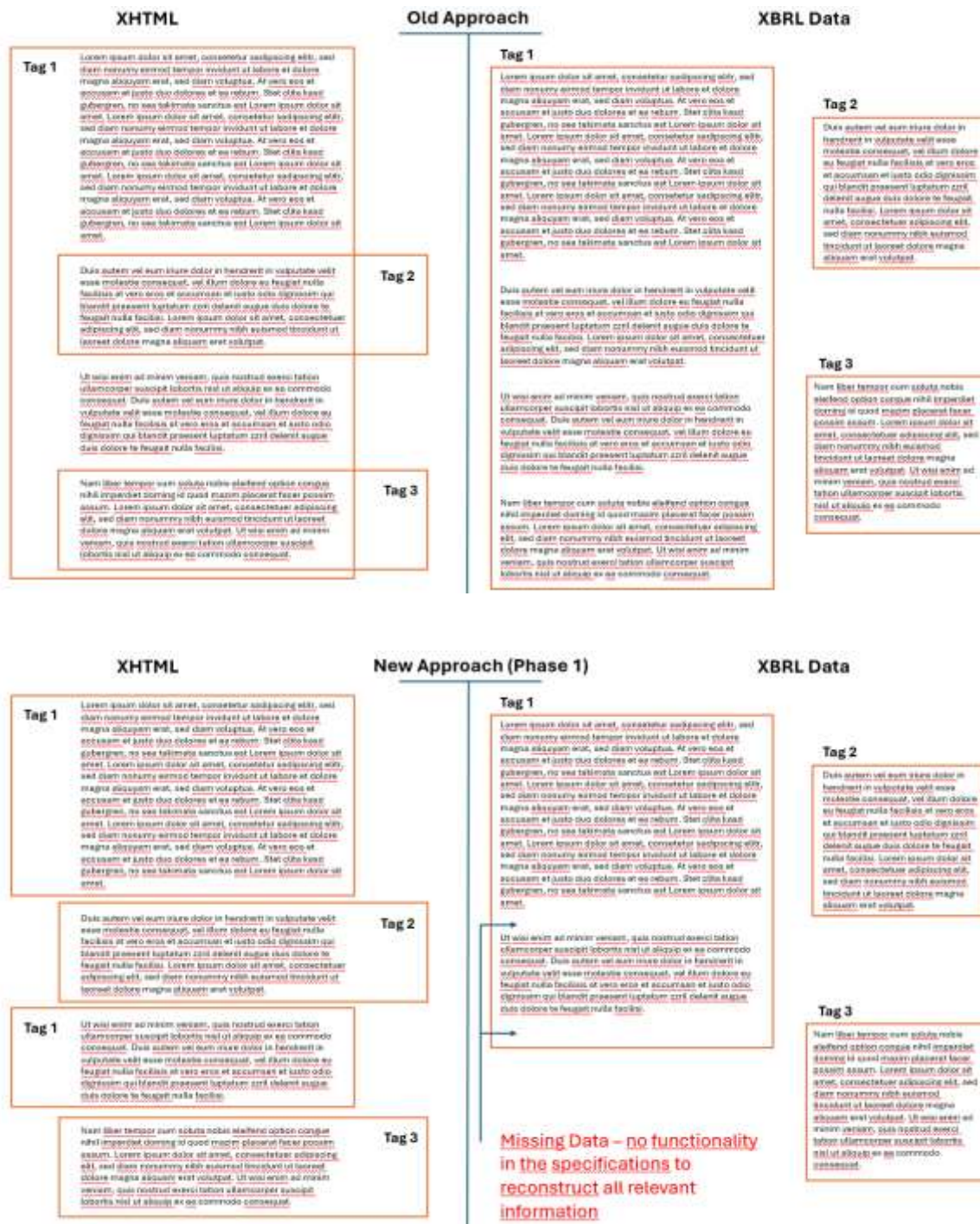
Yours sincerely,



Gilly Lord
Global Leader for Public Policy and Regulation, PwC

Annex I

Illustration of data fragmentation



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