

Reply form

Consultation Paper on the Regulatory Technical Standards (RTS) on the European Single Electronic Format (ESEF) defining marking up rules for sustainability reporting and revising the marking up rules for the Notes to the IFRS consolidated financial statements and, on the amendments to the RTS on the European Electronic Access Point (EEAP)

Responding to this paper

ESMA invites comments on all matters in the Consultation Paper and in particular on the specific questions in this reply form. Comments are most helpful if they:

- respond to the question stated;
- indicate the specific question to which the comment relates;
- contain a clear rationale; and
- describe any alternatives ESMA should consider.

ESMA will consider all comments received by **31 March 2025**.

Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

- Insert your responses to the questions in the Consultation Paper in this reply form.
- Please do not remove tags of the type <ESMA_QUESTION_ESEFEEAP_1>. Your response to each question has to be framed by the two tags corresponding to the question.
- If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
- When you have drafted your responses, save the reply form according to the following convention: ESMA_ESEFEEAP_nameofrespondent.

For example, for a respondent named ABCD, the reply form would be saved with the following name: ESMA_ESEFEEAP_ABCD.

- Upload the Word reply form containing your responses to ESMA's website (**pdf documents will not be considered except for annexes**). All contributions should be submitted online at www.esma.europa.eu under the heading 'Your input - Consultations'.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the headings 'Legal notice' and heading '[Data protection](#)'.

1. General information about respondent

Name of the company / organisation	Institute of Economic and Financial Policy			
Are you representing an association?	<input checked="" type="checkbox"/>			
Country/Region	International			
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 checked="" type="checkbox"/>	Other (provide comment): Academic/Research Organisation
	<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 type="checkbox"/>	Other (provide comments)	Click here to enter text.		

2. Questions

1.1. Marking up sustainability reporting

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.

<ESMA_QUESTION_ESEFEEAP_01>

[Yes, we agree with the assessment framework and the phased approach which provide a structured method for implementing marking up rules and ensuring gradual adaption. However, our concern lies with certain elements needing refinement. The framework should be focused on minimizing complexity in technical tagging and prioritizing clarity to prevent inconsistencies amongst mark ups across industries. The phased approach must account for varying levels of digitization amongst firms and allow sufficient transition time. Another improvement can be inclusion of shareholder feedback loops to check the implementation challenges. Differentiating requirements for smaller entities and maintaining robust standards for large firms can enhance compliance without creating large burden. An alternative assessment framework can involve pilot testing markup rules in certain industries before full scale implementation.]

<ESMA_QUESTION_ESEFEEAP_01>

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.

<ESMA_QUESTION_ESEFEEAP_02>

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<ESMA_QUESTION_ESEFEEAP_02>

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.

<ESMA_QUESTION_ESEFEEAP_03>

[TYPE YOUR TEXT HERE]

<ESMA_QUESTION_ESEFEEAP_03>

Question 4: Do you agree with the phases and the content to be marked up as outlined 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.

<ESMA_QUESTION_ESEFEEAP_04>

[TYPE YOUR TEXT HERE]

<ESMA_QUESTION_ESEFEEAP_04>

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.

<ESMA_QUESTION_ESEFEEAP_05>

[TYPE YOUR TEXT HERE]

<ESMA_QUESTION_ESEFEEAP_05>

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.

<ESMA_QUESTION_ESEFEEAP_06>
[TYPE YOUR TEXT HERE]
<ESMA_QUESTION_ESEFEEAP_06>

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.

<ESMA_QUESTION_ESEFEEAP_07>
[TYPE YOUR TEXT HERE]
<ESMA_QUESTION_ESEFEEAP_07>

1.2. Marking up Article 8 sustainability disclosures

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.

<ESMA_QUESTION_ESEFEEAP_08>
[TYPE YOUR TEXT HERE]
<ESMA_QUESTION_ESEFEEAP_08>

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.

<ESMA_QUESTION_ESEFEEAP_09>
[TYPE YOUR TEXT HERE]
<ESMA_QUESTION_ESEFEEAP_09>

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.

<ESMA_QUESTION_ESEFEEAP_10>
[TYPE YOUR TEXT HERE]
<ESMA_QUESTION_ESEFEEAP_10>

Question 11: 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 evolving circumstances? If not, please provide your reasons.

<ESMA_QUESTION_ESEFEEAP_11>
[TYPE YOUR TEXT HERE]
<ESMA_QUESTION_ESEFEEAP_11>

1.3. Common technical aspects: incorporating the ESRS and Article 8 digital taxonomies into the ESEF taxonomy framework

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?

<ESMA_QUESTION_ESEFEEAP_12>

Yes, we believe ESMA's technical approach to incorporating the ESRS and Article 8 digital taxonomies from EFRAG and ESEF taxonomy framework has merit, primarily due to its clarified structural alignment. A critical consideration lies in the technical extension, wherein simplifying file modularization and incorporating translations can have a potential impact on the underlying data integrity. ESMA should elaborate on specific procedures to be employed to ensure these adjustments don't inadvertently distort the original semantic meaning embedded within EFRAG taxonomies. Clarity is also required on how ESMA will manage future revisions from EFRAG and how these updates will be implemented within ESEF framework to guarantee ongoing consistency and comparability of reported data. |

<ESMA_QUESTION_ESEFEEAP_12>

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?

<ESMA_QUESTION_ESEFEEAP_13>

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<ESMA_QUESTION_ESEFEEAP_13>

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?

<ESMA_QUESTION_ESEFEEAP_14>

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<ESMA_QUESTION_ESEFEEAP_14>

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

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.

<ESMA_QUESTION_ESEFEEAP_15>

|TYPE YOUR TEXT HERE |

<ESMA_QUESTION_ESEFEEAP_15>

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.

<ESMA_QUESTION_ESEFEEAP_16>

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<ESMA_QUESTION_ESEFEEAP_16>

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.

<ESMA_QUESTION_ESEFEEAP_17>

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<ESMA_QUESTION_ESEFEEAP_17>

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.

<ESMA_QUESTION_ESEFEEAP_18>

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<ESMA_QUESTION_ESEFEEAP_18>

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.

<ESMA_QUESTION_ESEFEEAP_19>

[TYPE YOUR TEXT HERE]

<ESMA_QUESTION_ESEFEEAP_19>

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.

<ESMA_QUESTION_ESEFEEAP_20>

[TYPE YOUR TEXT HERE]

<ESMA_QUESTION_ESEFEEAP_20>

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.

<ESMA_QUESTION_ESEFEEAP_21>

[TYPE YOUR TEXT HERE]

<ESMA_QUESTION_ESEFEEAP_21>

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.

<ESMA_QUESTION_ESEFEEAP_22>

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<ESMA_QUESTION_ESEFEEAP_22>

1.5. Targeted improvements to the existing drafting of the RTS on ESEF

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.

<ESMA_QUESTION_ESEFEEAP_23>

Yes, we agree that the proposals for targeted amendments to the RTS on ESEF are a constructive step forwards clarifying the framework. The inclusion of specific definitions for linkbases (Proposals 1, 2 and 3) provides a better structured understanding of the taxonomy elements. The concern regarding potential complexity introduced by extensive list of definitions lies in Proposal 5, where the definitions aim to addressing scope from ESRS and Article 8 but a phased out introduction of definitions might be a better approach and allow preparers to adapt to new guidelines. The rationale behind update of namespaces in Proposals 6,7 and 8 can be expanded to explicitly address the benefits for data users in terms of retrieval and comparability.

<ESMA_QUESTION_ESEFEEAP_23>

Question 24: Are there any additional targeted amendments that could be brought to 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.

<ESMA_QUESTION_ESEFEEAP_24>

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<ESMA_QUESTION_ESEFEEAP_24>

1.6. Amendments to the RTS on the European Electronic Access Point (Delegated Regulation 2016/1437)

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.

<ESMA_QUESTION_ESEFEEAP_25>

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<ESMA_QUESTION_ESEFEEAP_25>

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.

<ESMA_QUESTION_ESEFEEAP_26>

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<ESMA_QUESTION_ESEFEEAP_26>

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

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 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.

<ESMA_QUESTION_ESEFEEAP_27>

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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.

<ESMA_QUESTION_ESEFEEAP_28>

Yes, I agree that ESMA's high-level understanding of the approximate monetary cost per markup and other additional costs associated with marking up disclosures of sustainability reporting acknowledges the cost burden to issuers which is an important consideration. Moreover, the document points out that this burden is influenced by various factors like prior experience of marking up, volume of information and taxonomy complexity. However, breaking down costs of cost components such as software licences into potential costs of training staff, ongoing maintenance and quality assurance could benefit the assessment. |

<ESMA_QUESTION_ESEFEEAP_28>

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?

<ESMA_QUESTION_ESEFEEAP_29>

[TYPE YOUR TEXT HERE |

<ESMA_QUESTION_ESEFEEAP_29>

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?

<ESMA_QUESTION_ESEFEEAP_30>

[TYPE YOUR TEXT HERE |

<ESMA_QUESTION_ESEFEEAP_30>

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?

<ESMA_QUESTION_ESEFEEAP_31>

Yes, I agree as ESMA's analysis of the costs and benefits of defining marking-up rules for Article 8 sustainability disclosures acknowledges the trade-off between the burden on preparers and enhanced usability and comparability of information for users. The consideration of the structured nature of Article 8 is pertinent. This assessment could be strengthened by further emphasizing certain qualitative benefits such as clearer marking-up rules could lead to increased trust in sustainability data as it would reduce ambiguity and potential for inconsistent reporting, and could in turn, facilitate better decision-making by investors and other stakeholders. In context, the document mentions effort to mark up disclosures, it can also consider potential for long term cost savings. |

<ESMA_QUESTION_ESEFEEAP_31>

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?

<ESMA_QUESTION_ESEFEEAP_32>

[TYPE YOUR TEXT HERE]
<ESMA_QUESTION_ESEFEEAP_32>

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 or benefits (qualitative and/or quantitative) would you consider in that context?

<ESMA_QUESTION_ESEFEEAP_33>
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<ESMA_QUESTION_ESEFEEAP_33>

1.8. Annex III. Draft Cost/Benefit Analysis relating to the amendment to the RTS on the EEAP

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?

<ESMA_QUESTION_ESEFEEAP_34>
[TYPE YOUR TEXT HERE]
<ESMA_QUESTION_ESEFEEAP_34>

1.9. Annex IV. Legal text RTS on ESEF

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).

<ESMA_QUESTION_ESEFEEAP_35>
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<ESMA_QUESTION_ESEFEEAP_35>

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

<ESMA_QUESTION_ESEFEEAP_36>
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