



Grant Thornton

An instinct for growth™

ESMA

Per e-mail

Alphen aan den Rijn, xx November 2015

Our ref: xxxx

Re: Consultation Paper on the Regulatory Technical Standards on the European Single Electronic Format (ESEF)

Dear members of the European Securities and Markets Authority (ESMA),

We appreciate the opportunity to respond on the Consultation Paper on the Regulatory Technical Standards on the European Single Electronic Format (ESEF), hereafter “the consultation”. Please find enclosed our comments on this Consultation Paper.

General:

We are in favour of the introduction of a European Single Electronic Format within the EU, based on the requirements as included in the EU Directive 2013/34/EU, by using harmonised definitions and standardised electronic reporting.

We are in favour of member option extensions on this taxonomy, and furthermore of entity specific extensions which are on a lower level. This will increase harmonisation of the definitions used within the EU and national GAAP, comparability within countries and between countries, etc.

1. Do you believe that a wider assessment should be performed on the requirements of introducing a single electronic reporting format in Europe?

Yes, we agree. We are in favour of the introduction of a European Single Electronic Format within the EU, based on the requirements as included in the EU Directive 2013/34/EU.

2. Do you agree with the description of the policy objectives as included in this section? Are there any further elements that you believe should be analysed? If yes, please indicate them.



The policy objectives as described are mainly about the electronic reporting. However the opportunities of ESEF by using harmonised definitions and standardised electronic reporting, are not described.

Opportunities are for example a standardized ESEF, based on the same taxonomy for all countries within the EU, based on EU Directive 2013/34/EU.

Examples of the benefits are harmonisation of definitions, reduction in the time you need to spend on administrative activities, increase in productivity, digitalisation and standardisation of the reporting process and other official documents.

There is stated that "For legal purposes, a document has to be in human-readable format (such as PDF, Microsoft Office Word or paper)." Please take into consideration that in several countries like The Netherlands also documents in readable electronic format are allowed (XBRL-documents), and in the future only accepted.

We are in favour of reusing digital information, therefore we are in favour of XBRL or iXBRL. When PDF or Word is used, this is not possible. Moreover when XBRL or iXBRL is used, the information is standardized based on the same definitions, and reuseable.

Again, the EU has endless possibilities if the electronic reporting format could set one standard for all the members/companies within the EU, based on EU Directive 2013/34/EU.

- 3. Do you believe that the introduction of electronic reporting should serve as a basis for further debate on auditing of electronic structured data? Please explain your reasoning.**

Yes we believe. When ESEF is used based on harmonised definitions and a standardised electronic format, lots of checks and balances are already built in the software or could be built in, preventing this from errors. Therefore we are very much in favour of a standardised and harmonised ESEF within the EU instead of PDF.

- 4. Are you aware of any further elements which are necessary to provide an accurate picture of the current reporting for the purpose of this CP?**

In several countries in the near future only reporting based on ESEF like XBRL or iXBRL is allowed. In The Netherlands as from 2017 and 2018 only reporting (AFR) in XBRL-format is allowed. Furthermore a normative presentative will be designed in cooperation with the DASH in order to read a Human-readable XBRL instance document.

- 5. Do you agree with the description of the technologies included in the CP?**

Yes, we agree. Please note that in several countries data structures, reporting formats etc are already available. Please take also in consideration that with HTML/XHTML an advanced data analysis or comparability of data is not possible as not structured.

- 6. Do you agree with the choice of the technologies that we further analysed in the CBA? If not, please indicate which other technologies you would propose for further analysis.**

Yes, we agree.

7. Do you agree with ESMA's proposal to use the IFRS taxonomy as issued by the IFRS Foundation for reporting under IFRS, subject to formal endorsement in the European Union?

Yes, we agree.

8. Do you agree with ESMA's preliminary conclusions not to use regulatory and entity specific extensions? Please provide arguments in your answer in relation to the impact on issuers and users.

No, we do not agree. We support a taxonomy based on EU Directive 2013/34/EU as published in the year of 2013. We are in favour of member option extensions on this taxonomy, and furthermore of entity specific extensions which are on a lower level. This will increase harmonisation of the definitions used within the EU and national GAAP, comparability within countries and between countries, etc.
Therefor we are in favour of EU-regulation regarding the development/extension of the EU-taxonomy in order to harmonise and minimize the member state options and entity specific extensions (only one extension instead of per member state a member state specific extension).

9. Do you agree with the proposed approach in relation to the taxonomies of third countries GAAP's deemed equivalent to IFRS?

Yes, we agree.

10. Do you believe that taxonomy shall be developed for other parts of the AFR (outside financial statements)? If yes, please indicate which ones and explain why.

Yes, we are in favour of developing other parts of the AFR which are closely related to the AFR, and which reports are an extension on the taxonomy. For example credit reporting for banks.

11. Do you agree that non-structured electronic reporting should be required for the entire Annual Financial Report? Do you agree that the format used shall be PDF?

No, we do not agree.

We believe that structured electronic reporting should be used for the full Annual Financial Report, based on XBRL, by using harmonised definitions and standardised electronic reporting. This should be based on the same taxonomy for all countries within the EU, based on EU Directive 2013/34/EU. See also question 2.
This can be done by rendering in a human readable document.
Then the policy objectives as described in line 143 could be realized.

12. Do you agree with the proposed solution of a single electronic format composed of structured and non-structured data (option B)? If not, please explain your opinion as well as the impact on the CBA.

No, we are in favour of a structured electronic reporting for the full AFR. See question 11



- 13. Do you agree that iXBRL and XBRL are the most relevant options available for the ESEF?**

Yes, we agree.

- 14. Could you please indicate what is your preferred solution between iXBRL and XBRL**

Our preferred solution is iXBRL. All users now have the same iXBRL information in the same reporting format.
iXBRL prevents the duplication of cost for the suppliers of information.

- 15. Do you agree that structured reporting format should in a first stage be required for consolidated IFRS financial statements and eventually in a second stage for individual financial statements?**

No, we do not agree. We think that a structured reporting format based on EU-taxonomy (EU Directive 2013/34/EU) with member state options as an extension, are also essential.

- 16. A: Do you agree with a different approach for the financial statements under national GAAP's compared to IFRS on grounds of the existence of a taxonomy**

Agree. Presentation of IFRS financial statements is different from presentation of financial statements based on EU-taxonomy with member state options as an extension.

- 16 B: Do you agree with the proposed approach in terms of potential development of a EU core taxonomy to be used for national GAAP's in the future**

Agree, see above.

- 17. Do you agree that a single electronic format should not be required for financial statements under third country GAAP?**

No opinion.

- 18. Would you be in favour for a phased approach for SME's, if it would be allowed under the legal mandate? Would it be relevant in the context of the development of the Capital Markets Union?**

We are not in favour of a phased approach for SME's, we prefer implementing ESEF.

- 19. Do you have any other comments to make?**

None.

Yours sincerely,

Grant Thornton Accountants en Adviseurs B.V.

Drs H.W. Knoop-Voncken RA