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| 25 September 2015 |

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| Reply form for the Consultation Paper on the European Single Electronic Format (ESEF) |
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| Date: 25 September 2015 |

Responding to this paper

The European Securities and Markets Authority (ESMA) invites responses to the specific questions listed in Consultation Paper on the European Single Electronic Format (ESEF), published on the ESMA website.

*Instructions*

Please note that, in order to facilitate the analysis of the large number of responses expected, you are requested to use this file to send your response to ESMA so as to allow us to process it properly. Therefore, ESMA will only be able to consider responses which follow the instructions described below:

* use this form and send your responses in Word format (pdf documents will not be considered except for annexes);
* do not remove the tags of type < ESMA\_QUESTION\_ESEF \_1> - i.e. the response to one question has to be framed by the 2 tags corresponding to the question; and
* if you do not have a response to a question, do not delete it and leave the text “TYPE YOUR TEXT HERE” between the tags.

Responses are most helpful:

* if they respond to the question stated;
* contain a clear rationale, including on any related costs and benefits; and
* describe any alternatives that ESMA should consider

**Naming protocol**

In order to facilitate the handling of stakeholders responses please save your document using the following format:

ESMA\_ ESEF \_NAMEOFCOMPANY\_REPLYFORM.

E.g. if the respondent were XXXX, the name of the reply form would be:

ESMA\_ESEF\_XXXX\_REPLYFORM

To help you navigate this document more easily, bookmarks are available in “Navigation Pane” for Word 2010 and in “Document Map” for Word 2007.

***Deadline***

Responses must reach us by **24 December 2015.**

All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading ‘Your input/Consultations’.

***Publication of responses***

All contributions received will be published following the end of the consultation period, unless otherwise requested. **Please clearly indicate by ticking the appropriate checkbox in the website submission form if you do not wish your contribution to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure.** Note also that 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 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](http://www.esma.europa.eu) under the headings ‘Legal notice’ and ‘Data protection’.

# Introduction

Please make your introductory comments below, if any:

<ESMA\_COMMENT\_ESEF\_1>

The Confederation of Swedish Enterprise (Svenskt Näringsliv) is Sweden’s largest and most influential business federation representing 50 member organizations and 60 000 member companies with over 1.6 million employees.Our comments on this consultation thus represent the view of a large majority of Swedish issuers.

Our main remarks regarding the consultation can be summarised as follows:

We believe that the requirement of electronic filing within the Transparency Directive puts an unnecessary administrative burden upon issuers. In our experience, there is no demand for electronic filing from users of financial information (investors, analysts and other market actors). The primary source of input to the analytic models developed by users’ of financial information, is the interim reports and the press releases with annual financial information. By the time the financial information in the Annual Financial Report will be available in electronic form, the information will already be outdated.

In addition, the required system and administrative changes required to be able to file electronically can be both costly and time consuming for many issuers. Experiences from the financial sector, where XBRL-based reporting has been required for some time, shows that institutions has spent a lot of time and resources on the proper adjustments to be able to report electronically.

The structured format is a restraint on how the information in the financial reports can be presented, especially within the notes. This constraint contradicts the principles based approach, which the IFRS is based upon, and impairs the information value of the financial reports.

We believe it is unfortunate that the requirement of electronic reporting in the Transparency directive was not preceded by a proper impact assessment by the Commission. In addition, the cost-benefit analysis performed by ESMA has deficiencies and among the scarce respondents there are only a few issuers and even fewer users.

Thus, there are little or no indications that electronic filing will fulfil the policy objectives of the Transparency Directive. According to our view, the only reasonable way forward is to allow issuers to file the Annual Financial Report in an unstructured format such as pdf.

<ESMA\_COMMENT\_ESEF\_1>

**Question 1: The provisions included in the amended Transparency Directive requiring a single electronic format were not subject to a formal impact assessment by the European Commission. While from a legal point of view ESMA could not address in this CP whether there is a need for the provisions included in the amended Transparency Directive, do you believe that a wider assessment should be performed on the requirements of introducing a single electronic reporting format in Europe? Please indicate your opinion and provide arguments.**

<ESMA\_QUESTION\_ESEF\_1>

Yes we believe that a wider assessment should be performed of the benefits of electronic reporting and a single reporting format. We are concerned that there is no real market demand for electronic filing and that the requirement will be costly and burdensome for issuers. We also fear that the XBRL-taxonomy will form a constraint on the presentation of financial information and thus to the principle based reporting framework for listed companies. Given the lack of evidence of the benefits of electronic reporting, we believe it is remarkable that the EC has not performed an impact assessment and that the CBA presented by ESMA is of poor quality.

<ESMA\_QUESTION\_ESEF\_1>

**Question 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.**

<ESMA\_QUESTION\_ESEF\_2>

We can’t see how electronic filing will facilitate for neither issuers nor users. As explained earlier, there is no demand for this on the Swedish market. Investors will still have their own way of gathering, digest and compare financial information regardless of how it is filed. As XBRL will be a constraint on how the information can be presented, we believe that electronic filing may even impair the quality of financial reports from a user perspective. In addition, the fact that interim financial reports and press releases are investors’ prime sources for information and only the annual reports will be available in electronic format is also contradictory to the policy objectives.

Electronic filing may however very well be in the interest of competent authorities, as the information will become easier to file, process and survey. We are also concerned that the electronic filing will encourage rather than counteract the kind of “check the box” supervision that several supervisory authorities, including ESMA, aims to avoid going forward.

<ESMA\_QUESTION\_ESEF\_2>

**Question 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.**

<ESMA\_QUESTION\_ESEF\_3>

No, we don’t think electronic reporting will have a material impact on the conditions for performing correct audits.

<ESMA\_QUESTION\_ESEF\_3>

**Question 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?**

<ESMA\_QUESTION\_ESEF\_4>

No, to our knowledge, we believe the picture provided in the CP is correct.

<ESMA\_QUESTION\_ESEF\_4>

**Question 5: Do you agree with the description of the technologies included in the CP?**

<ESMA\_QUESTION\_ESEF\_5>

As we have limited knowledge of the technologies, we refrain from answering this question.

<ESMA\_QUESTION\_ESEF\_5>

**Question 6: Do you agree with the choice of the technologies to be further analysed as part of the CBA? If not, please indicate which other technologies you would propose for further analysis.**

<ESMA\_QUESTION\_ESEF\_6>

As mentioned above, we have only limited knowledge of the technologies. However, we would like to underline that it is essential that the policy decisions based on this CP should not be a limit to the future progress in this area. It would be extremely unfortunate if the chosen filing system should restrain the development of other superior reporting formats.

<ESMA\_QUESTION\_ESEF\_6>

**Question 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?**

<ESMA\_QUESTION\_ESEF\_7>

Yes, we agree.

<ESMA\_QUESTION\_ESEF\_7>

**Question 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.**

<ESMA\_QUESTION\_ESEF\_8>

Yes we agree with the conclusion not to use extensions. As there is a lack of evidence of the advantages of extensions, it will only be an additional administrative burden on both preparers and the authorities responsible for the development of such extensions.

<ESMA\_QUESTION\_ESEF\_8>

**Question 9: Do you agree with the proposed approach in relation to the taxonomies of third countries GAAPs deemed equivalent to IFRS?**

<ESMA\_QUESTION\_ESEF\_9>

Yes we agree.

<ESMA\_QUESTION\_ESEF\_9>

**Question 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.**

<ESMA\_QUESTION\_ESEF\_10>

No we don’t think the taxonomy shall be developed for other parts of the AFR.

<ESMA\_QUESTION\_ESEF\_10>

**Question 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? If you disagree, please explain your opinion by providing arguments on the policy objectives and impact on the CBA.**

<ESMA\_QUESTION\_ESEF\_11>

Yes we agree that non-structured electronic reporting in PDF should be required for the AFR.

<ESMA\_QUESTION\_ESEF\_11>

**Question 12: Do you agree with the 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.**

<ESMA\_QUESTION\_ESEF\_12>

No, we believe that option A is the preferred choice. The reasons are explained in the answers to questions 1-2.

<ESMA\_QUESTION\_ESEF\_12>

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

<ESMA\_QUESTION\_ESEF\_13>

We refrain from answering this question. As mentioned under question 6, we believe that the reporting format should not hamper the development of other formats or techniques for electronic filing.

<ESMA\_QUESTION\_ESEF\_13>

**Question 14: Could you please indicate what is your preferred solution between iXBRL and XBRL? Please explain the reasons.**

<ESMA\_QUESTION\_ESEF\_14>

See question 13.

<ESMA\_QUESTION\_ESEF\_14>

**Question 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?**

<ESMA\_QUESTION\_ESEF\_15>

See question 12. We don’t think it should be required for neither the consolidated nor the individual financial statements.

<ESMA\_QUESTION\_ESEF\_15>

**Question 16a: Do you agree with a different approach for the financial statements under national GAAPs compared to IFRS on the grounds of the existence of a taxonomy?**

<ESMA\_QUESTION\_ESEF\_16a>

We agree with the different approach but as mentioned, we believe the best solution is not to require structured reporting at all.

<ESMA\_QUESTION\_ESEF\_16a>

**Question 16b: Do you agree with the proposed approach in terms of potential development of a EU core taxonomy to be used for national GAAPs in the future?**

<ESMA\_QUESTION\_ESEF\_16b>

We don’t see the need for an EU core taxonomy. As the potential benefits are not obvious to us, it’s very difficult to justify the time and resources such a project will require.

<ESMA\_QUESTION\_ESEF\_16b>

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

<ESMA\_QUESTION\_ESEF\_17>

Yes, we agree.

<ESMA\_QUESTION\_ESEF\_17>

**Question 18: Would you be in favour for a phased approach for SMEs, if it would be allowed under the legal mandate? Would it be relevant in the context of the development of the Capital Markets Union?**

<ESMA\_QUESTION\_ESEF\_18>

We don’t agree with the conclusion in the CP that the ESEF could enhance the visibility of SME’s. We are also unsure of the basis for this question, as reporting issues for SME’s are not a part of ESMA’s assignment under the TD.

<ESMA\_QUESTION\_ESEF\_18>

**Question 19: Do you have any other comment to make?**

<ESMA\_QUESTION\_ESEF\_19>

No other comments.

<ESMA\_QUESTION\_ESEF\_19>