

Date: January 13<sup>th</sup>, 2016

**ESMA Consultation Response Semansys Technologies BV**

**Introduction**

Semansys is an European software company. The company is in the XBRL: space since the early days, since the year 2000.

The company represents a large number of software companies, some of which are partner of the company. The company and it's partners operates in many European countries as well as outside of Europe.

As active member of standardization initiatives in Europe. As initiator, founding board member the company supported the EU in the XBRL: in Europe Framework six project.

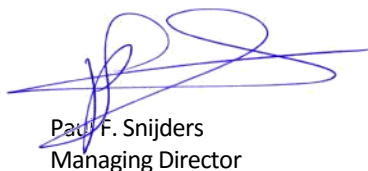
We acknowledge the position of ESMA as part of the European System of Financial Supervision (ESFS) and the relationship with European Systemic Risk Board (ESRB).

Our company is key member of Eurofiling and long term vendor supporting few hundred financial institutes in many member states for EBA and EIOPA regulatory reporting. We recognize the relationship between European Banking Authority (EBA) and the European Insurance and Occupational Pensions Authority (EIOPA) for the ESFS. We support any and all initiatives for cross-sectorial consistency for supervision of financial conglomerates and on other cross-sectorial issues.

We appreciate the European (eg EBA and EIOPA ) and many national authorities to have chosen common, global electronic structured data for their regulatory reporting.

Our answers have to be read in consideration to represent a number of software companies operating across Europe.

Regards  
Semansys Technologies bv



Paul F. Snijders  
Managing Director

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| # | Question                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Answer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| 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. | No, this seems not needed.                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 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.                                                                                                                                                                                                                                                                                                                                                     | Yes, agree.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 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.                                                                                                                                                                                                                                                                                                                                                             | <p>Yes, standard digital reporting is a sound basis for improved and efficient new assurance on these reports. Standards based reporting will generate new technology for automated new assurance.</p> <p>The company is member of the Dutch project to already implement an audit framework as part of the mandate for electronic reports to the national business registrar by January 1, 2017.</p> <p>Please consider that initiative and see it can be adopted for European wide implementation</p> |
| 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 can and should consider the many uses already in Europe for standards based (XBRL ) reporting mandated or not. (Netherlands, Germany, Belgium, Italy, UK, Ireland, Denmark, Estonia, Spain) as well as United States, India, Japan, Australia, New Zealand, Singapore, South Africa).                                                                                                                                                                                                              |
| 5 | Do you agree with the description of the technologies included in the CP?                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>Yes.</p> <p>We prefer XBRL as primary format for ESEF. In this respect iXBRL is only an output format of XBRL. iXBRL means the inclusion of XBRL tags within ordinary, human-readable XHTML documents. In other respects, iXBRL is XBRL.</p>                                                                                                                                                                                                                                                         |

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| 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.           | 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?                     | <p>Yes, we agree.</p> <p>The IFRS taxonomy is the basis for any GAAP reporting requirements regulators in Europe should consider and utilize. It is a instrument for cross border harmonisation and the key instrument to implement the transparency directive. Only if financial and business data is published and shared with same basis set of definition transparency can really be achieved.</p> |
| 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. | <p>No, this can not work.</p> <p>For harmonization with national gaap's and for industry specific needs extension will have to be allowed.</p> <p>Allowing extensions if well regulated and with proper architectures will only enhance the possibility to achieve the goal. Please check the work of the Dutch SBR Taskforce Private Extensions.</p>                                                  |
| 9  | Do you agree with the proposed approach in relation to the taxonomies of third countries GAAPs deemed equivalent to IFRS?                                                                      | Yes.                                                                                                                                                                                                                                                                                                                                                                                                   |
| 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.                                 | <p>Yes, use of digital structured reporting for other parts makes sense as it allows companies to only have to implement a single reporting format and standard.</p> <p>A single digital structured reporting format, enforces one implementation, identical processes for entities and one time investments for software, It will be cost effective for all parties.</p>                              |

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| 11 | <p>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.</p> | <p>NO We strongly disagree with the use of PDF as the mandatory format for reporting.</p> <p>Electronic paper formats are old school for reporting, require the same effort to compose BUT will not bring re-useable data for all stakeholders. By the time in 2020 ESMA will be implemented it will be out dated and for data exchanged replaced by interactive and dynamic data exchange.</p> <p>Also; PDF is technology from one single (American) vendor, proprietary. This is not in the interest of Europe.</p> <p>Any regulatory reporting process should only consider a structured electronic format as the primary format. For ESMA this seems to be in line with the Digital Agenda for Europe and current implementations of many national projects and EBA and EIOPA.</p> <p>We agree with remarks of XBRL Europe:<br/> <i>PDF is a proprietary format that does not provide mechanisms to have free re-useable structured data, provide free content order, structure and layout of the data resulting in incomparable financial statements. The use of a separate human readable format, such as digital paper like PDF does present serious extra problems and risks for preparers, auditors, regulators and consumers of Annual Financial Reports (including investors and other stakeholders) because there is no guarantee both reports (human readable and XBRL) are consistent. These potential differences lead to confusion and potentially to legal claims.</i></p> <p><i>All major XBRL projects around the world provide a mechanism of viewing the XBRL filing itself in a human-readable, understandable and familiar format. Preparers of the XBRL filings require such a mechanism to verify their filing is correct and complete. Also consumers require such a rendering mechanism. Using XBRL as core data format allows systems to produce, analyse and consume financial data as well as render the financial statements in human readable formats as HTML (including iXBRL), PDF, others.</i></p> |
| 12 | <p>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.</p>                                                                                        | <p>No, do not agree.</p> <p>This will lead to confusions, extra and double work, loss of comparability, extra costs in synchronization of data and extra software and reporting and auditing costs for the preparers.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 13 | <p>Do you agree that iXBRL and XBRL are the most relevant options available for the ESEF?</p>                                                                                                                                                                                               | <p>Yes. Where iXBRL is a possible display or distribution format of XBRL.</p> <p>So the choice is XBRL with or without output format iXBRL.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

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| 14      | Could you please indicate what is your preferred solution between iXBRL and XBRL? Please explain the reasons.                                                                                      | <p>XBRL; it is insignificant if XBRL is published in iXBRL or not. Any standard XBRL processor can export XBRL in iXBRL anytime.</p> <p>However: only using iXBRL will introduce many extra issues related to assurance. Auditing an HTML report with hidden, XBRL Tags can lead to differences, unseen and hidden data, added non-tagged data in HTML .</p> <p>iXBRL is not a good approach for auditable processes and assurance on quality.</p>                 |
| 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? | <p>No.</p> <p>Only a using a single format is most costs effective for all. Multiple formats is confusing, requires extra internal reporting processes and extra costs for audit and control, will not bring the required transparency and will lead to less comparability.</p> <p>ESMA can only benefit by building on all effort and implementations already in place in many countries.</p> <p>Extra burdens should be avoided by enforcing another format.</p> |
| 16<br>a | 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?                                           | We agree to use only one technical standard and build on existing IFRS taxonomy.                                                                                                                                                                                                                                                                                                                                                                                   |
| 16<br>b | 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?                                                       | <p>Yes.</p> <p>Please consider to work in EU on a single (IFRS) basic financial taxonomy.</p>                                                                                                                                                                                                                                                                                                                                                                      |
| 17      | Do you agree that a single electronic format should not be required for financial statements under third country GAAP?                                                                             | <p>NO.</p> <p>We feel that only a single technical standard is efficient</p> <p>We like to refer to the target period 2020 by which time interactive, dynamic, detailed data on high frequency will be the standard in all business parties. Any 'old' approach will limit the EU and it's businesses compared to other regions.</p>                                                                                                                               |

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| 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? | <p>No.</p> <p>SMEs can be treated the same as large entities and can handle the transition quite nicely. Implementing XBRL based reporting is low costs and standard solutions even from European vendors are widely available.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 19 | Do you have any other comment to make?                                                                                                                                                      | <p>Paper of electronic paper for financial reporting does not fit in any transparency initiative anywhere in the world. Already today and certainly by 2020 non-interactive and dynamic data will restrict any industry. Also a closed format owned by a single American company should not be the format considered.</p> <p>XBRL seems to be the only available single electronic formats for filing the reports and for processing and analysing that data.</p> <p>One single format in Europe will be best for all. Any combination of whatever formats will increase costs, reduce comparability, diminishes audit options and is contra productive.</p> <p>.</p> |