

**EUROPEAN SECURITIES MARKET  
AUTHORITY****201-203 Rue de Bercy****75012 Paris****Ref: XBRL Europe answer to the Consultation Paper on Draft advice to EC under Article 8 of the  
Taxonomy Regulation**

Dear Madam, dear Sir,

XBRL Europe thanks you for the opportunity to respond to the Consultation Paper “Draft advice to European Commission under Article 8 of the Taxonomy Regulation”.

Within the taxonomy regulation context, the XBRL Community is more focused on the digital reporting aspects than on the taxonomy regulation as such, since technology facilitates and enables regulation rather than enacting it.

Providing a taxonomy regulation may as such be a driver for digitalisation and the development towards a more granular analysis of reported data elements as well as enhanced non-financial reporting standards.

Since Inline XBRL is the standard to be used for financial reporting within the EU (ESEF regulation), it can also be used for various non-financial reporting (including the taxonomy regulation) for all the reasons known - cost savings, interoperability and international comparability - to improve information analysis and decision making for end users. Of critical importance is, when using (Inline) XBRL, that tagged data items use strict definitions, as to enable machine-to-machine communication and thus comparison and analysis of data items from various sources.

The consulting report as such focuses on definitions on three financial KPIs (turnover, CAPEX and OPEX) for the taxonomy regulation and the disclosure of NFRD information by asset managers. In defining these KPI's it would be beneficial for the digitisation of financial and non-financial information to use financial definitions rather than make new definitions. This since the main focus for the taxonomy should be on classifying economic activities as sustainable or non-sustainable.

However, depending on environmental objective we understand that there might be some deviations regarding definitions (as item 60 on climate change vs climate adoption). In such cases it would be beneficial if new definitions are aligned with already defined KPIs for the ESEF format, as far as possible. By applying anchoring, as is done in ESEF, these relationships can be set within the taxonomy which makes it automatically processable.

We recognise that when it comes to CAPEX, there is no clear definition even in IFRS which requires new definitions. In such cases it would be beneficial to consider available definitions used for the ESEF format. For OPEX it is also worth to notice that IFRS is currently replacing IAS 1 “Presentation of financial statements” with a new standard, which hopefully make it easier to define OPEX (item 83 c) within the ESEF context.

Please do not hesitate to contact us should you wish to discuss all or any of the issues we have raised in this letter.

Yours sincerely,



Gilles Maguet  
CEO XBRL Europe