

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	Bundesverband der Deutschen Industrie e.V./ The Federation of German Industries (BDI)			
Are you representing an association?	<input checked="" type="checkbox"/>			
Country/Region	Germany			
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 type="checkbox"/>	Other (provide comment):
	<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 checked="" type="checkbox"/>	Other (provide comments)	The BDI is the umbrella organisation of German industry and industry-related service providers. It speaks on behalf of 39 sector associations and represents over 100,000 large, medium-sized and small enterprises with more than eight million employees.		

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>

[We strongly disagree with the proposals made. XBRL is completely unsuitable for fulfilling the requirements of the Transparency Directive 2013/50/EU. Accessibility, simplicity and comparability are crucial for effective reporting and analysis. In practice, XBRL does not fulfil these requirements at all. In times of rapidly developing applications of artificial intelligence, XBRL technology is no longer up to date and increases the complexity and effort for the companies concerned enormously, without any benefit for them. In principle, both preparers and recipients expect a PDF file with low technical barriers for reporting.

The European Commission has also just emphasised the clear goal of reducing bureaucracy and simplification. We therefore urgently call for this announced reduction in bureaucracy to be seriously implemented and for XBRL tagging to be abolished immediately for all reporting obligations.]

<<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>

[Due to the high technical complexity of XBRL, the proposed timetable cannot be realised. Implementation would require at least 18 months. However, as already described above, we do not agree with the proposals at all. We have been pointing out for several years that XBRL is completely unsuitable for fulfilling the requirements of the Transparency Directive 2013/50/EU and already outdated at the time of its introduction.]

<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>

[See answer to question 1.]

<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>

[See answer to question 1.]

<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>

[See answer to question 1.]

<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>

[See answer to question 1.]

<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>

[See answer to question 1.]

<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>

[See answer to question 1.]

<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>

[See answer to question 1.]

<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>

[See answer to question 2.]

<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>

[See answer to question 1.]
<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>

[See answer to question 1. Therefore, the question of whether to incorporate the ESRS and Article 8 digital taxonomies into the ESEF taxonomy framework does not really arise. Apart from that, we propose that ESMA should make both technical approaches available – the incorporation of taxonomies and the provision of separate basic taxonomies – and allow companies to decide for themselves which technical approach is best for them.]

<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>

[As previously mentioned, we urgently call to abolish XBRL tagging immediately for all reporting obligations. Consequently, there is absolutely no need for ESMA to develop a technical extension.]

<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>

[See answer to question 1.]

<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>

[The regulations on XBRL tagging should be abolished completely. See answer to question 1.]

<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>

|We strongly disagree with the proposals made. See answer to question 1. |
<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>

|We strongly disagree with the proposals made. See answer to question 1. We point out that Annex IV, No. 3 of the ESEF Directive 2019/815/EU does not require multi-tagging. It states: "...issuers shall use the core taxonomy element with the closest accounting meaning to the disclosure being marked up. Where there appears to be a choice of core taxonomy elements, issuers should select the element with the narrowest accounting meaning and/or scope." Contrary to this clear wording, ESMA has introduced multi-tagging in the published Reporting Manual under Guidance 1.9.1, which states: "In case of a disclosure corresponding to more than one element of different granularity (with narrower and wider elements), preparers should use each of them and multi-tag the information to the extent that corresponds with the underlying accounting meaning of the information." In the Transparency Directive 2013/50/EU and in the cost-benefit analysis for the planned ESEF regulation from December 2016, an audit requirement was not mentioned. However, following the adoption of the ESEF regulation, the German legislator introduced an audit requirement for ESEF documents based on the opinion expressed by the European Commission. As a result, auditors in Germany are pushing hard for multi-tagging to comply with the perceived requirements of ESMA, even though the Reporting Manual is not legally binding. It is incomprehensible that ESMA is now proposing to abolish a non-existent legal regulation. |

<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>

|We strongly disagree with the proposals made. See answer to question 1. We strongly oppose any extension of detailed tagging to the notes. According to Art. 4 b) (7) of the Transparency Directive 2013/50/EU, appropriate field tests and a cost-benefit analysis were required before the introduction of ESEF. Such a massive extension of current requirements would, in our opinion, require a new field test and a new – realistic – cost-benefit analysis. |

<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>

|We strongly disagree with the proposals made. See answer to question 1. |
<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>

We strongly disagree with the proposals made. See answer to question 1. Furthermore, we point out that the ESEF regulation, respectively the amending RTS on ESEF only regulate the format of reporting, not its content. Since proposed elements such as the name of the software provider are not required to be disclosed under IFRS, no XBRL tagging can be mandated. |

<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>

We strongly disagree with the proposals made. See answer to question 1. This applies even more to elements of the extension taxonomy, which are naturally company-specific and therefore not comparable across companies. |

<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>

We strongly disagree with the proposals made. See answer to question 1. Even today, the frequent changes to the RTS on ESEF represent a massive additional complexity for companies. We fear that the inclusion of a review clause will lead to even more frequent and extensive changes. Therefore, we urge to discontinue the current approach of using RTS and call for a return to Level 1 measures, which are subject to a full democratic legislative process and hopefully lead to useful and stable regulations. A "trial-and-error" approach is unacceptable. |

<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>

|See answer to question 22. |

<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>

|See answer to question 1. |

<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>

|TYPE YOUR TEXT HERE |

<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>

|TYPE YOUR TEXT HERE |

<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>

|The President of the European Commission, Ursula von der Leyen, formulates in her statement on the "EU Compass for Competitiveness" of January 29, 2025, the clear target of reducing EU reporting obligations by 25% for all companies and by 35% for SMEs. In addition, the same clear target applies to reduce recurring administrative burdens. ESMA's attempts to create further complex regulations is in sharp contrast to this goal.

We believe that the number of tags is not a suitable metric for a cost estimate. Beyond the number of tags, the quality of regulation and the frequency of its changes significantly impact the effort required. Overall, the actual costs for ESEF are much higher than ESMA's estimates. The costs for auditing the ESEF file by the auditor alone far exceed ESMA's estimated costs. Additionally, there are license and consulting costs, as well as the effort required from the company's own personnel. ESMA's estimate of 2.5 man-days for the creation of an ESEF file is completely unrealistic, even in subsequent periods and without regulatory changes. The immense costs associated with ESEF are not justified by any benefits for the recipients. We do not see any demand for an ESEF file. Most recipients still expect financial reports in a PDF format. |

<ESMA_QUESTION_ESEFEEAP_27>

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>

|See answer to question 27. |

<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>

|See answer to question 27. |

<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>

[See answer to question 27.]

<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>

[See answer to question 27.]

<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>

[See answer to question 27.]

<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>

[See answer to question 27.]

<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>

We do not agree. Experience has shown that translations of EU legal acts are sometimes prone to errors (e.g. in ESRS Set 1) and can therefore have different legal consequences in the individual Member States. We therefore call in principle for all legal acts to be publicly accessible in all official EU languages. |

<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>

|See answer to question 1. |

<ESMA_QUESTION_ESEFEEAP_36>