**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](http://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.

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# General information about respondent

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name of the company / organisation | EY Europe SCRL | | | |
| Are you representing an association? |  | | | |
| Country/Region | Belgium/Europe | | | |
| Activity |  | Information provider (issuer, undertaking or preparer) of corporate reports subject to digitalisation requirements in the EU |  | 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) |
|  | Non-public interest entity (large non-listed EU company, including large EU company with securities only listed outside EU regulated markets) |
|  | Non-public interest entity (large non-EU company with securities listed in EU regulated markets) |
|  | Non-public interest entity (SME listed in EU regulated markets) |
|  | Other (provide comment):  Click here to enter text. |
|  | User of digitalised corporate reporting from EU companies |  | Investor |
|  | Data analyst |
|  | Data aggregator |
|  | Asset manager |
|  | Other (provide comment):  Click here to enter text. |
|  | Software provider | | |
|  | Auditor of corporate reporting subject to digitalisation requirements in the EU | | |
|  | Other (provide comments) | Click here to enter text. | |

# Questions

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>

In general we agree with the assessment framework and the elements and factors considered.

Considering the taxonomy in detail, we anticipate some challenges with Yes/No boolean variable types. Those elements might not convey the same nuanced meaning as that conveyed by qualitative/text-based disclosure. Thus, the principle that the human-based and the machine-readable parts of the report must always contain the same/comparable information might be jeopardised. The same challenge might arise with enumeration elements, when qualitative text has to be categorized.

Even if the use of boolean and enumeration tags leads to difficulties in practical implementation and audit, we are of the opinion that the benefits of faster data accessibility and ability to analyse for such datatypes outweighs those disadvantages. Ideally the content to be marked-up needs to be as clear and as precise as possible, so that there is no ambiguity for a tag in the first place.

<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>

We appreciate the "2-year" timeframes for each implementation phase but would also find a "2-step implementation process" equally adequate.

Also, considering the proposed mark-up requirements between the three phases, the incremental effort for the next phase is potentially limited [see example to Question 4].

However, the cut-off date of 30th June seems too ambitious, as preparations for year-end (test-tagging) usually start earlier, so that software providers can supply updates to their products, undertakings can provide first drafts, assurance professionals can provide feedback, etc.

We propose moving the cut-off date to 31st March of the respective year.

<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>

We agree with an additional staggered approach based on the type of large undertakings, although this approach will need to be reassessed to reflect the Omnibus proposals.

<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>

An approach of three phases may create complexity, and the incremental effort between phases seems negligible in some cases, compared to the overall effort.

For instance, Phase 1 lit e) states that all E2, E3, E4, E5, S1, S2, S3, S4 and G1 numerical datapoints shall be marked up. Then, Phase 2 lit a), two years later, adds all semi-narrative disclosures (Booleans, enumerations or enumerationSet) to tag. Both phases require in-depth analysis on ESRS 2 and the topical standards, where the incremental effort between analyzing all numbers and analyzing all semi-narrative disclosures looks marginal, compared to the overall implementation effort.

Most reporting effort for undertakings comes from the first-time implementation of new tagging requirements. Having three phases means that the undertaking has three periods of increased implementation effort, effort to coordinate more intensively with the auditor, etc.

Based on the provided example and reasoning, we suggest reducing the number of phases from three to two. For instance, based on the example provided, Phase 1 and Phase 2 could be combined so that numerical datapoints and all semi-narrative disclosures (Booleans, enumerations or enumerationSet) are to be marked-up at the same time.

We expect that the phase-in will be reassessed based on the planned revision of Set 1 of ESRS.

<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>

We agree.

<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>

We agree in general. If extensions are allowed, clear instructions on how and when they have to be created needs to be established.

<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>

We agree.

<ESMA\_QUESTION\_ESEFEEAP\_07>

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>

We agree.

<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>

We agree – full mark-up of the Article 8 sustainability disclosures without a phased approach.

We agree – a staggered approach based on the type of large undertakings, although this approach will need to be reassessed to reflect the Omnibus proposals.

<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>

Generally we agree with the mark-up requirement of Article 8 sustainability disclosures for the same financial year, if the RTS is published in the OJ before a specific “cut-off” date, or the next financial year, if published after that date. Aligned with our response to question 2, we propose moving the cut-off date to 31st March of the respective year, to build in enough lead-time for all stakeholders involved.

In this regard we want to emphasize that marking-up ESRS disclosures and Article 8 disclosures for the same financial year could be an intensive exercise for the undertaking and the auditor. A longer implementation by the earlier cut-off date of 31st of March ensures that the undertaking has more time for implementation and alignment with the auditor.

<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>

We agree.

<ESMA\_QUESTION\_ESEFEEAP\_11>

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>

We agree.

<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>

No, considering there is no experience (yet) with the EFRAG taxonomy (contrary to the IFRS taxonomy which was and is already widely used and issues are addressed), ESMA should take full ownership of this taxonomy to ensure it aligns with the goals of the ESMA reporting, including the phase-in approach as suggested above. In addition, it should be validated to be technologically in compliance with XBRL standards and with the current ESMA taxonomies, before it is incorporated into the ESEF taxonomy.

<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>

We suggest implementing a formal Q&A process where questions regarding the correct application of tags or tagging principles can be posted. This would provide EFRAG or ESMA with information about the practical issues being experienced, and provide helpful input in respect of future adaptations and developments.

Additionally, there should be a conformance suite available including the ‘new elements’ to test the validation software as well as testing the underlying checks, including sets for ‘part’ of the taxonomy (such as only the ESRS or only IFRS).

<ESMA\_QUESTION\_ESEFEEAP\_14>

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>

Yes, we agree that it is necessary to revise the marking-up rules for the Notes to the IFRS consolidated financial statements. TextBlock tagging and multi-tagging has many issues which are already explained in the consultation itself.

There is a lack of hierarchy between elements and there is no clear definition of what constitutes a TextBlock. Therefore, a lot of interpretation is left to the undertakings, which also presents a challenge to assurance professionals, when faced with a wide range of different interpretations.

<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 do not fully agree with the proposed phase-in approach and the proposed timeline. The proposed content in phase 1 basically reduces the overall tags required for notes tagging, but at the same time requires significant implementation and coordination effort between stakeholders. We therefore propose as an alternative that the currently proposed phase 1 is only to be applied voluntarily.

Generally the phased in approach should be viewed holistically and checked against all additional requirements for a certain year and spread over the upcoming years, if necessary (the current proposal would mean that if published before 30th June 2026, both the ESRS tagging and Article 8 tagging need to be added as well as a full revision of the financial statements tagging, in a single year.)

Therefore we suggest at least moving the cut-off date to March 31st, as stated in our response to previous questions.

<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>

No, we do not fully agree with the content outlined for phase one.

The proposal basically requires a full revaluation of all tagging applied, leading to a significant implementation effort both for the undertakings and assurance professionals. As proposed in our response to question 16, an alternative could be to still allow for the same approach of multitagging in phase 1, as it is currently applied/required.

We appreciate the following proposed changes in phase 1 and we believe those changes should be implemented regardless of how and if the rest of phase 1 is implemented:

* The requirement to separately tag tables. We welcome the approach to require undertakings to mark-up tables using relevant XBRL technical requirements (using dtr-type: table).
* The requirement to fully mark-up the full set of notes and accounting policies (meaning that company specific disclosures that are not part of the IFRS requirements would then require an entity specific extension. Currently, in most cases, this information would not be tagged at all).
* Guidance on what is considered a TextBlock and what companies should take into account for that.

<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 do not fully agree with the content outlined in Phase 2.

While we generally understand the motivation and benefits behind a detailed tagging of information, we believe that approach poses a significant implementation effort for undertakings, as well as a coordination effort with other stakeholders, such as assurance professionals. While under the current proposal of phase 1 the multi-tagging and nested tags are to be eliminated as much as possible, we anticipate that this would recur even more extensively under the current approach of phase 2.

We recommend the simplification of tagging of the values in the declared currency, as presented in an XHTML table. Noting the complexities of dimensional tagging (e.g. fixed assets overview), we would recommend either a native XHTML table with a TextBlock tag, or a native XHTML table tagged against a single typed dimension, using appropriate data types. So the data is digitally readable, whilst the tagging complexity and error rate is reduced.<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 agree.

<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>

Considering the requirements are for listed entities we would suggest removing “Name of the Parent entity” and “Name of the ultimate Parent of the group” as this typically is the reporting entity, and currently already leads to a lot of confusion. For the applicable entities, this is disclosed and can be marked up using the existing disclosure tags.

We believe there is a benefit in having a Boolean on the audit opinion. The current proposed Boolean ‘Unqualified audit opinion with no emphasis of matter’ does not help in understanding the audit opinion, and/or can be misleading. An emphasis of matter has no impact on the opinion (unqualified/qualified/negative). And beside some potential emphasis of matter, the description of key-audit-matters (KAMs) is also relevant to understand an audit opinion. Therefore we suggest changing the proposed mandatory Boolean from ‘Unqualified audit opinion with no emphasis of matter’ to ‘Qualified or negative audit opinion”.

Additionally, in order for undertakings to provide tagging outside of the IFRS financial statements, this needs to be clearly stated and allowed in the RTS.

<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 agree.

<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 agree.

<ESMA\_QUESTION\_ESEFEEAP\_22>

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>

Generally, we agree with the proposals for the targeted amendments to the RTS, except for:

Proposal 11 and 13: We do not agree. The reference to a website raises numerous concerns when an entity has a non-calendar year-end, if updates were made to the website in between year ends, in preparation for the next year. The ESEF-RTS should contain all requirements, with only further guidance (not requirements) on additional websites.

This is also relevant for (a) new recommendations from XBRL.org that are not yet (correctly) included in the applicable taxonomy, and (b) those that are published shortly before publication (and then based on this proposed change to the RTS, would have to be followed right away).

Proposal 18: We have the same concerns as with proposal 11 and 13. Any reference to another document (that might be subject to change) means that there is growing uncertainty for undertakings and assurance professionals in respect of which set of specifications they need to include/audit.

<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>

We propose the following additional targeted amendments to the RTS:

1. Addition of a clear definition of what is considered a TextBlock (for tagging purposes). Please also revisit what a string-tag and what a text-block tag are. (There are some string-tags that should potentially be rather a text-block tag, especially the tag "Explanation of sources of estimation uncertainty with significant risk of causing material adjustment" should be a TextBlock, not a string-tag)

2. Additional requirements around the tagging of tables and use of XHTML native tables in the XHTML document, when tagging is required.

3. The introduction of a Q&A process (see question 14).

<ESMA\_QUESTION\_ESEFEEAP\_24>

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>

We see this as a topic between the OAMs and the European Supervisory Authorities (ESAs) and have only two remarks:

- further specifications or requirements stemming from the transmission from the OAMs to ESAs should be avoided and thereby not further increase the administrative burden for undertakings (and assurance professionals).

- Local bodies should be robustly included in the process as there were issues in the past with submissions of ESEF files to different bodies (potentially less with the OAMs, but other national bodies such as Chamber of Commerce, Commercial Registers, etc., to which also ESEF filings have to be provided)

<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>

No further comments, see question 25.

<ESMA\_QUESTION\_ESEFEEAP\_26>

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 average costs are not very informative as they depend significantly on the chosen approach, the extent of changes in the core taxonomy, and other additional factors. Lower recurring costs would only be possible when there are no (or very limited) changes in the core taxonomy and the reporting manual/other requirements. Additionally, it does not seem to account for the extra costs from an assurance professional, including the man-hours required to provide the information.

As assurance professionals, we have not seen any issuers using scenario 1 (in-house ESEF solution), so only scenarios 2 and 3 (soft externalization and full externalization) are relevant. The average cost per tag can be misleading and depends on various factors. Other factors can also be quite time-consuming, such as conversion issues from the source file to XHTML, formatting issues, package settings, back-and-forth communication with the auditor, and so on. So, while the number of tags is relevant, it is just one of many factors.

Generally, for an issuer, not only the license costs and man-days invested should be considered, but also other external costs. Such costs include audit fees and additional involvement from professional service firms to review the quality of the files and identify technical and content-wise errors. For scenario 3, estimated rates for a service provider for the first XBRL filing are 7,790 EUR, and subsequent filings are only 2,715 EUR. We recommend also factoring in the external costs mentioned above.

<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>

For listed PIE’s this might be accurate especially if they follow closely in their reporting 2024 the structure laid out in the ESRS taxonomy. However for non-listed companies this is not correct as those will also have to ‘move’ their entire financial statements to XHTML (the ESEF format) where this is currently not required for them. The additional costs associated with this are not included here.

Also as noted above this does not seem to take into account the additional costs associated with a required audit (both in terms of internal and external costs).

<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>

We are missing the impact of the audit costs (hours and fee) for each of the three scenarios.

<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>

From our perspective, considering the mark-up is required insofar as elements are disclosed and these disclosure requirements are included (1 to 1) in the Taxonomy, undertakings are likely to follow the ESRS more closely. This is less of an issue compared to financial statement audits and we concur with no need to have a mandatory list of tags (next to the phased in approach).

<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>

We generally agree with the costs and benefits presented for the different scenarios. We would only also consider audit costs (hours and fee) for each of the scenarios, as those costs are also dependent on the scope of information that is marked up for Article 8 sustainability disclosures.

<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>

No, we do not agree with the mentioned possible costs. We are missing:

-in option 1-3 that a hierarchy needs to be added to the ESEF taxonomy in order to be able to determine which disclosure elements are included in which other elements (in order to select the correct granularity)

-the impact on the auditor (and compiler) costs due to the technical difficult baseline solution that would disappear with option 1 and further.

-the additional costs that marking up the table separately from the other disclosures. (Option 1 and 3, and part of option 2).

<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>

To consider for Option 1: additional costs due to more discussions between preparer and their auditor or oversight body as more judgement is needed which tag to apply.

For both options we are missing the impact on the audit costs.

<ESMA\_QUESTION\_ESEFEEAP\_33>

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>

For us it is difficult to assess whether these changes will have any costs or benefits. We suggest that the OAMs should give their view on this.

<ESMA\_QUESTION\_ESEFEEAP\_34>

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 have no comment on the proposed drafting amendments to the RTS at this time.

<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>

We have no comment on the proposed drafting amendments to the RTS at this time.

<ESMA\_QUESTION\_ESEFEEAP\_36>