

CALL FOR VOLUNTEERS – FIELD TEST EUROPEAN SINGLE ELECTRONIC FORMAT (ESEF)

Background information

The European Securities and Markets Authority (ESMA) was empowered by Article 4(7) of the Amended Transparency Directive to draft a regulatory technical standard (RTS) specifying an European Single Electronic Format (ESEF) in which annual financial reports have to be prepared.

After carrying out a consultation, ESMA published a [Feedback Statement](#) in which it sets out the main decisions taken. These can be summarised as follows:

- All annual financial reports will have to be prepared in XHTML;
- Where the annual financial report contains IFRS consolidated financial statements, they have to be marked-up with XBRL tags according to the IFRS Taxonomy;
- The XBRL tags have to be embedded in the XHTML document through the Inline XBRL technology.

Moreover, ESMA developed a number of the detailed technical rules that further specify the electronic format. As required by the Transparency Directive, ESMA will carry out field tests of the proposed electronic reporting format.

Purpose

The purpose of these field tests is to assess whether the considered rules are practicable and to determine if and to which extent they have to be improved in order to increase comparability, and reduce the burden on preparers. In order to do so, annual financial reports by issuers shall be transformed to Inline XBRL instance documents according to ESMA's draft ESEF specifications.

Participants

ESMA is seeking participation from:

- issuers on European regulated markets from all industries preparing IFRS consolidated financial statements and,
- software vendors offering solutions allowing to create Inline XBRL reports.

Benefits for participating issuers

Participating issuers will receive free of charge support to transform their annual financial report to Inline XBRL. They will thus be able to learn how the Inline XBRL format can be applied.

Furthermore, the effort for their first filings, once the preparation of the annual financial report in the European Single Electronic Format becomes mandatory, will be significantly reduced. Additionally, participants will have the opportunity to contribute to the development of the specifications of a European Single Electronic Format that better fits their reporting needs.

Timeline and contact details

Applications are due by **Friday 14 July**. Several workshops will be carried out over summer 2017 (from the end of July until the beginning of September). ESMA will provide interested issuers with a list of possible dates.

Issuers and software vendors interested in participating in the field tests are invited to send an email to esef@esma.europa.eu.

Process and requirements

Process of the field test

ESMA will support the volunteering issuers to transform their last annual financial reports to Inline XBRL and to label their IFRS consolidated financial statements according to the ESEF specifications. The process for issuers will be as follows:

- 1) ESMA's XBRL experts will provide an introductory webinar that explains the technology and how issuers can map their financial statements to a taxonomy.
- 2) Issuers will have one week to map their IFRS consolidated financial statements to the IFRS Taxonomy. ESMA will provide a helpdesk to support this exercise.
- 3) Issuers will be invited to a two-day workshop (in ESMA's premises) with XBRL experts provided by ESMA in which the mapping will be completed and the annual financial report transformed to Inline XBRL. Issuers will be provided with a list of software tools they can select to transform the annual financial report to Inline XBRL.
- 4) An individual feedback webinar will be held to debate issues encountered by issuers in the process.

Requirements for participation of issuers

At least one representative of the participating issuer will be expected to attend the introductory webinar (about 2-3 hours), the 2-days workshop in ESMA's premises and the feedback webinar (about 1 hour). ESMA estimates that issuers should be able to map their financial statements to the IFRS Taxonomy in 1-2 person-days.

Several workshops will be held over the summer. ESMA cannot guarantee participation of every interested issuer especially as ESMA is seeking representation of a wide range of industries and jurisdictions. For practical reasons, only issuers that prepare annual financial reports in the English language can be invited to participate in the field tests. Issuers are expected to cover their own travel and accommodation expenses.

Participation of software vendors

In order to transform the annual financial reports to the Inline XBRL format, software tools will be used. ESMA invites software vendors to participate in the field-test by allowing the use of their software for the purposes of the field tests free of charge and by adapting their software tools to enable preparation of annual financial reports according to the draft ESEF specifications. The selection of the software to be used shall be non-discriminatory and non-preferential. The participating issuers will be invited to select the software from the list of participating software vendors.

Requirements for software vendors

In order to be able to participate in the field test, ESMA expects software vendors to:

- 1) Allow the use of their software for the purpose of the field test free of charge;
- 2) Provide helpdesk support;
- 3) Adapt their software tools so that they allow to transform issuers' annual financial reports to the Inline XBRL format according to the draft ESEF specifications. For further technical details of what is expected, please write to esef@esma.europa.eu.

ESMA cannot guarantee that the participating issuers will eventually select the software provided.