

The EU Transparency Directive has been amended in 2013 and requires issuers on EU regulated markets to prepare their annual financial reporting in a European Single Electronic Format (ESEF). The objective is to harmonise financial information and to facilitate the accessibility and comparability of financial reporting. ESMA concluded that the most appropriate technology to meet this requirement is Inline XBRL.

XBRL stands for eXtensible Business Reporting Language and is an open, international standard for the exchange of financial and non-financial information in digital form. The technology makes reporting more standardised and enables computer systems to automatically recognise and process data throughout the entire reporting chain. This simplifies the delivery of digital reports to various parties and enables better access of information for analyses and benchmarking purposes.

ESMA requires financial information to be structured according to the ESEF taxonomy, which is an extension of the IFRS requirements for information tagging. By structuring financial information in a standardised way, reports will be more understandable, accessible and comparable.

Once endorsed by the European Union, issuers will be required to prepare their annual financial report in a single electronic reporting format from 1 January 2020 onwards.

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Digitalised reporting XBRL

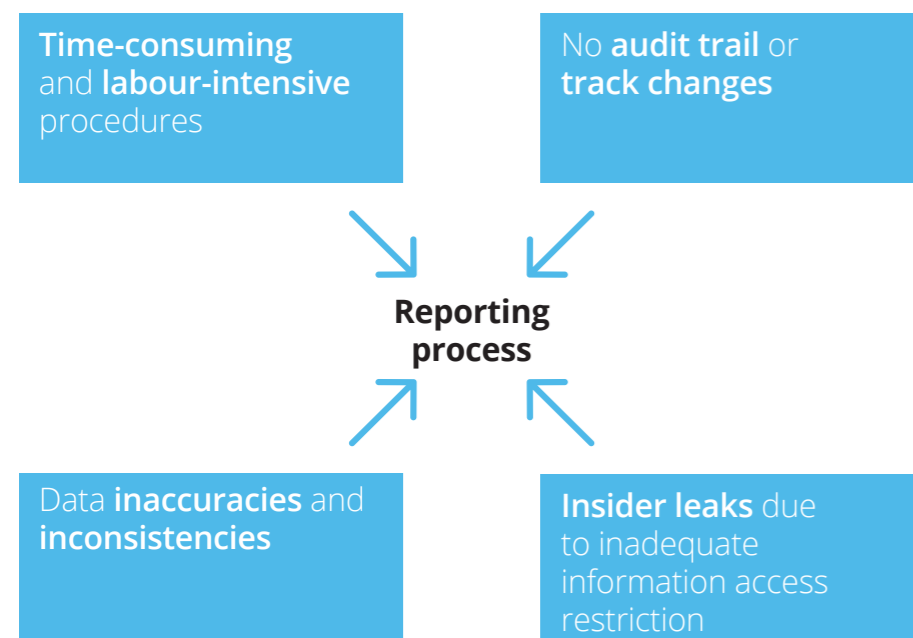
An opportunity to optimise your reporting process

Another requirement?

Companies will have to report their annual financial reports according to the XBRL format as of 1 January 2020.

... Or an opportunity to rethink the reporting process?

Typical challenges found in reporting processes today:



A redesigned, ESEF compliant reporting process, supported by a fully embedded disclosure management tool offers a single, secure and collaborative environment in which the organisation can safely manage and deliver a variety of documents to stakeholders in the reporting process leading to:

Enhanced business reporting providing management with **better internal information**





Reduced reporting costs



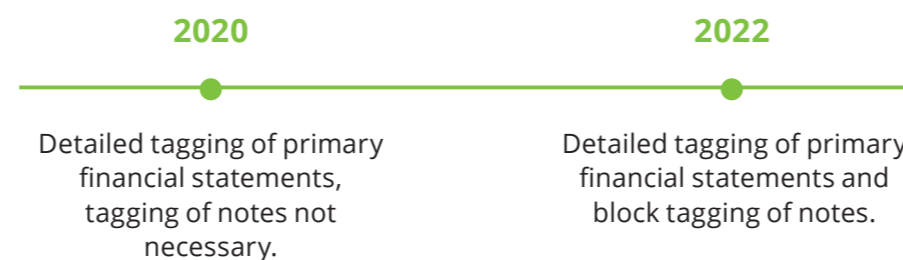
Time saving going forward

Improved communication with investors and capital markets

Benefits

- 
Greater accuracy
 XBRL makes the analysis and exchange of corporate financial information more reliable because your computer application accesses data directly.
- 
Reusing data
 XBRL-tagged reports allow organisations to share and reuse data in business reports more easily, both internally and with other organisations.
- 
Better data management
 The XBRL framework gives you the power to systematically manage and check data. Information can be monitored in real time, enhancing validation.
- 
Easier document reading
 XBRL taxonomies can enable your computer to read any document. If you only speak Chinese or French, you can collect and reassemble data from documents written in Finnish or Welsh if they are XBRL-tagged.

Timeline*




* subject to EU endorsement process

How we can help

Deloitte can provide insights in financial and non-financial reporting, processes, technology and organisation:

- **System & processes:** disclosure management tool selection and implementation
- **Mapping compliance:** GAAP assistance and quality review of ESEF taxonomy compliance

Next steps

- 
Understand the requirements
 Follow up on the ESMA publications and the endorsement process at the EU.
- 
ESEF taxonomy
 Understand the ESEF taxonomy and determine the impact for your company. How can you ensure compliance with the ESEF taxonomy?
- 
Vendor readiness
 Is your current service provider ready for transformation to Inline XBRL? If not, what other vendors could support your needs?
- 
Disclosure management
 Do you take the opportunity to automate your internal & external reporting process via disclosure management tool?