



ESEF reporting – Upcoming changes

A quick glance at the standard

What is XBRL?

XBRL is an open, international standard for the exchange of financial and non-financial information in digital form.

When will it impact?

From 1 January 2020 issuers will have to prepare their IFRS annual financial report in a single electronic reporting (once endorsed by the EU).



Standardization

Standardization of financial information enables computer systems to automatically recognize 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.

Core capabilities of XBRL

Creating **digital, unambiguous, accurate and reusable versions** of financial statements is one of the core capabilities of the XBRL standard.

IFRS taxonomy

ESMA would require users to make use of the **IFRS taxonomy**, which is a classification system for IFRS presentation & disclosure requirements and consists of 'elements' that are used to **tag information in IFRS financial statements**

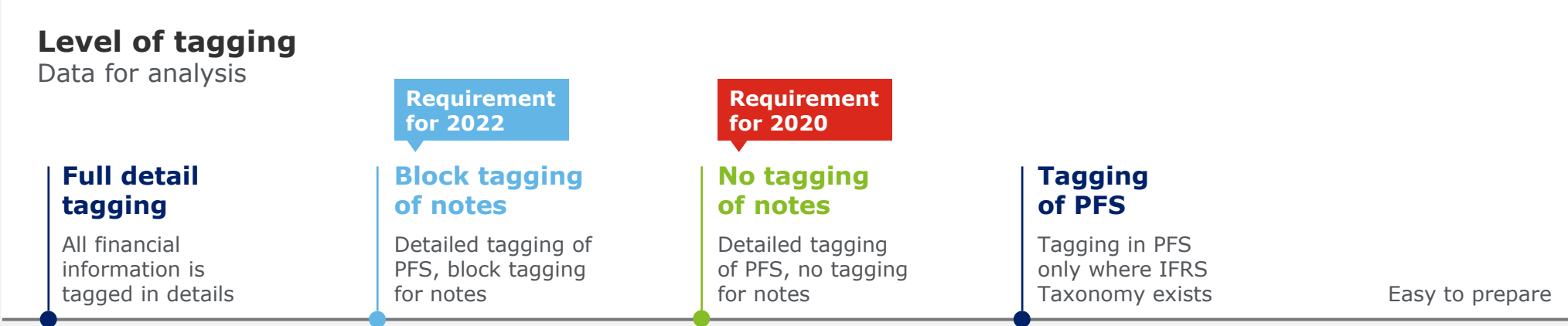
Governance

Financial statements are **governed by official accounting standards**, contain specific types of information, are influenced by norms & habits within industries and are extremely flexible (Different organisations can and will have different reports).



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What was considered by the ESMA for the implementation of electronic reporting?



ESEF Taxonomy

Key characteristics of the ESEF Reporting Taxonomy

The **European Securities and Markets Authority** (hereafter "ESMA"), empowered by Article 4(7) of the Amended Transparency Directive, specifies in the Regulatory Technical Standard (hereafter RTS) a **European Single Electronic Format** (hereafter ESEF) in which annual financial reports have to be prepared. It requires that all annual financial reports have to be prepared in XHTML format. Moreover, annual financial statements containing IFRS consolidated financial statements have to be marked-up with XBRL tags embedded in the XHTML using Inline XBRL technology.

Classification system for IFRS presentation and disclosure requirements



Consists of '**Elements**' that are **used to tag information in IFRS Financial Statements**.
An element is a unique name that explains a fact or single piece of financial statement data (e.g. revenue, net income, etc.)

ESEF
taxonomy

Entities can add their **own elements** and express their entity-specific presentation and calculation relationships within XBRL



Elements **sourced from IFRS Standards** and the IFRS reporting practice. No guidance regarding the content and presentation of the financial statements.

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How does your future annual report look like?



```
XBRL  
="rightalign">  
onFraction name="ifrs:Revenue"  
extRef="e2010" precision="5" unitRef="USD" scale="6"  
at="ixt:numcommadot"><ix:exclude>$</ix:exclude>43,623</ix:nonFraction>
```

```
ing XBRL  
Revenue contextRef="e2010" unitRef="USD"  
sion="5">43623000000</ifrs:Revenue>
```

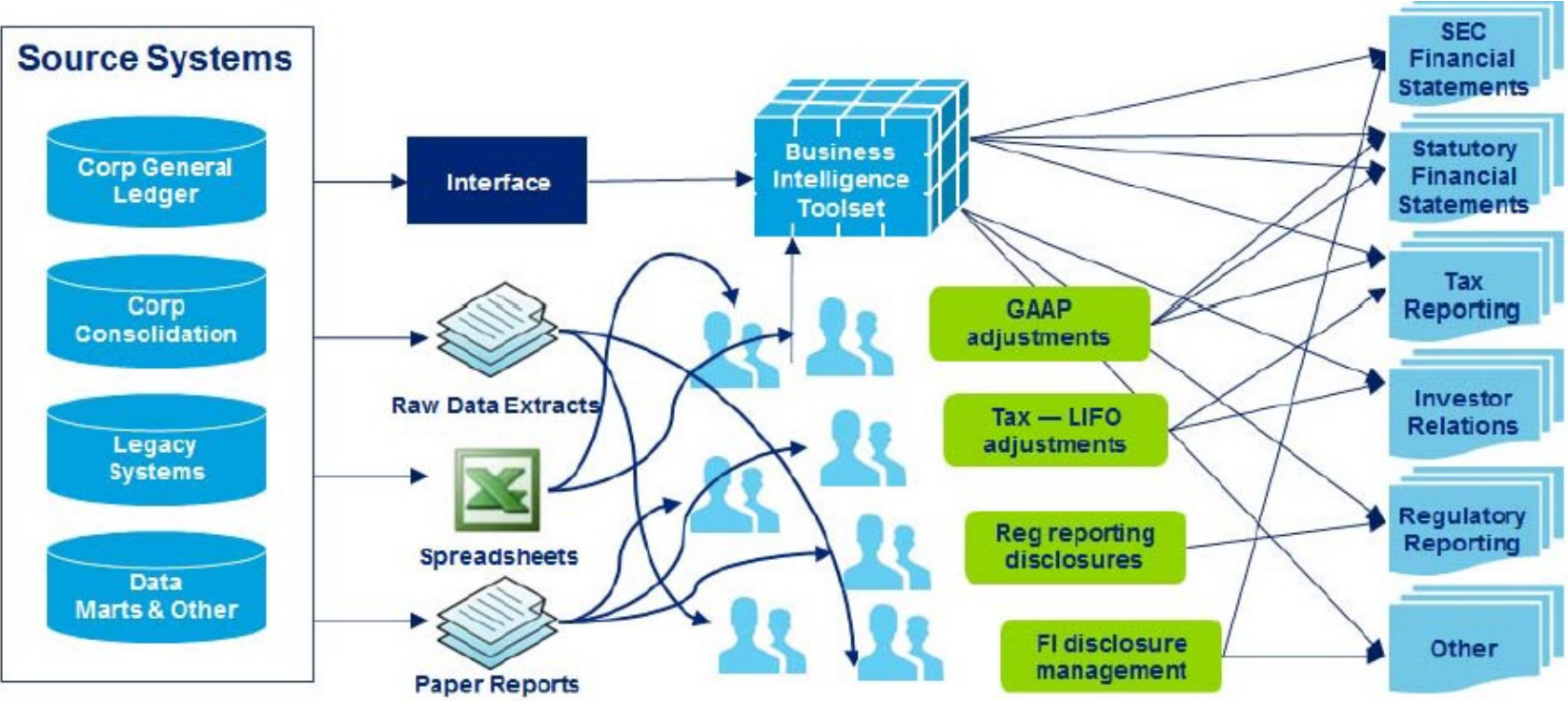


Next steps – Disclosure management

Is our current closing process with multiple data sources?

Typical reporting processes are inefficient, diverting significant resources from the performance of value-added activities

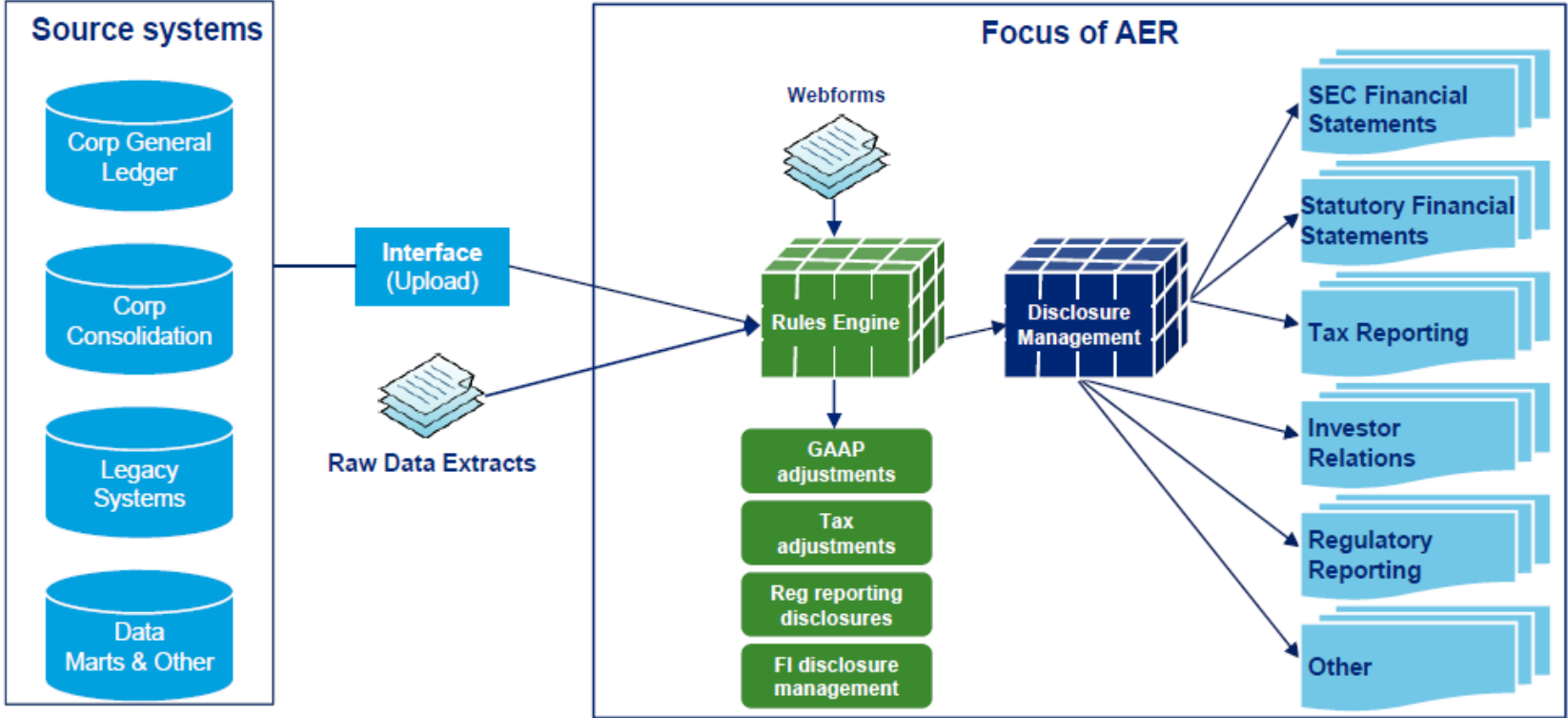
Multiple data sources are typically not linked, requiring more control points to manage the degree of manual effort



Next steps – Disclosure management

Advantages of a disclosure management tool for Automated External Reporting (AER)

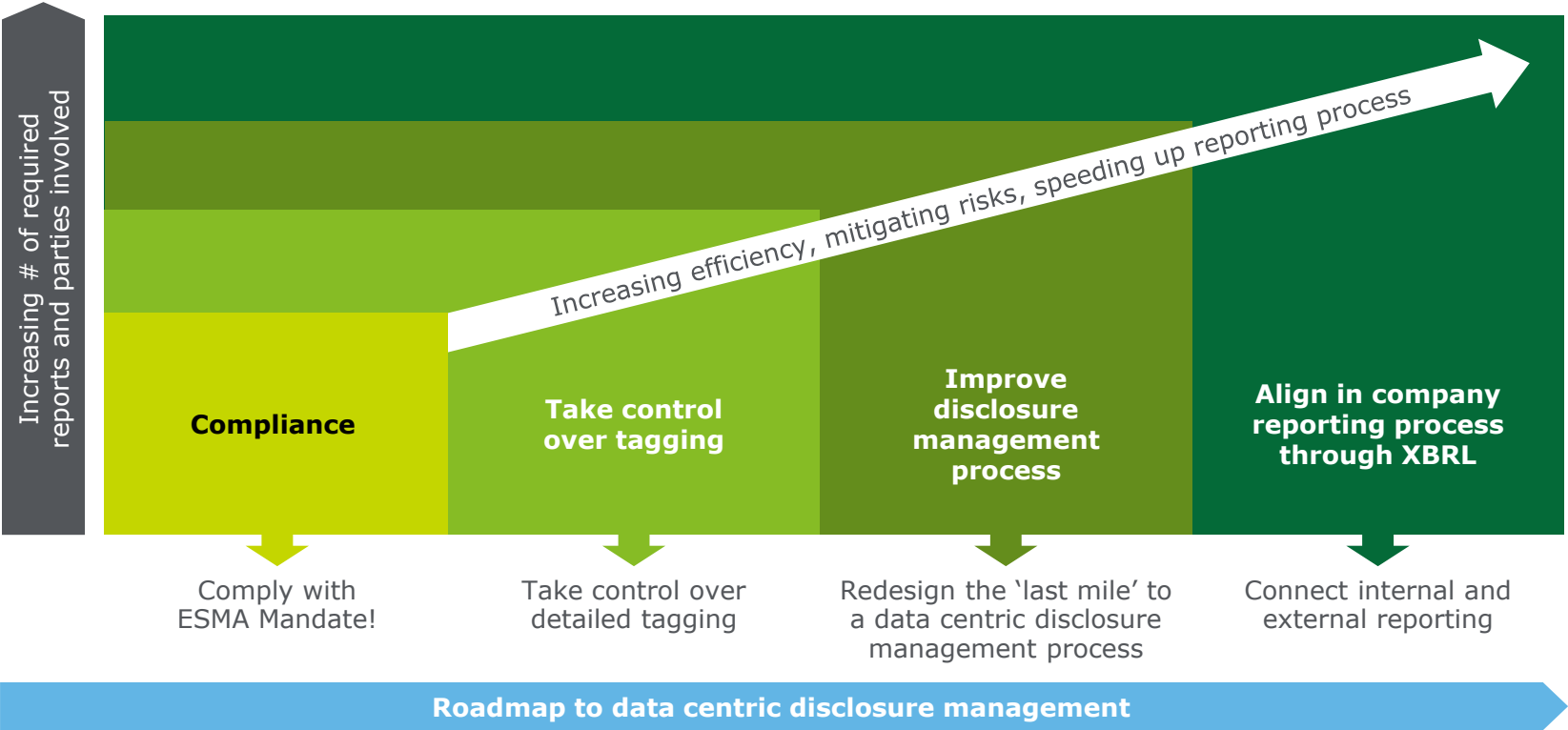
- Create financial reports in print-ready formats
- Enables XBRL tagging
- Automates manual processes, which reduces risk and strengthens the control environment
- Reduced risk of error, delayed filing, non-compliance, insider leaks
- Reduced process redundancies: workload reduction through efficient process, employees focusing on high-return activities, increased review time resulting in more-actionable insights into the business



Next steps – Disclosure management

Advantages of a disclosure management tool for Automated External Reporting (AER)

Disclosure Management solutions vary from 'only' delivering the required XBRL instance document to creating multiple XBRL filings and a workflow solution to fully control your 'last mile of finance'.





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