

European common enforcement priorities for 2022 annual reports have been issued – 28 October 2022

The [2022 enforcement priorities](#) for annual reports prepared in accordance with IFRS emphasizes the need for adequate transparency regarding the impacts of climate related matters, Russia's invasion of Ukraine and macroeconomic environment, and covers the financial statements, non-financial statements and alternative performance measures (APMs)

The 2022 enforcement priorities cover the following topics:

	Priorities related to IFRS financial statements	Priorities related to non-financial statements	Other considerations related to APMs and ESEF
➤ Climate related matters	✓ 1.1	✓ 2.1	
➤ Russia's invasion of Ukraine	✓ 1.2	✓ 2.2	✓ 3.1
➤ Macroeconomic environment	✓ 1.3		
➤ Taxonomy-related disclosures		✓ 2.3	
➤ Reporting scope and data quality		✓ 2.4	
➤ Identification of APMs and reconciliations			✓ 3.2
➤ Block tagging on ESEF			✓ 3.3

For each of the topics in the matrix above, the Public Statement announcing the enforcement priorities include detailed information and guidelines on the information that ESMA expects to be included in the Annual Reports for 2022. E.g. in relation to section 1 Priorities related to IFRS financial statements the detailed information and guidance cover the following sub-headings:

1.1 Climate-related matters	1.2 Direct financial impacts of Russia's invasion of Ukraine	1.3 Macroeconomic environment
<ul style="list-style-type: none"> • Consistency between IFRS financial statements and non-financial information • Impairment on non-financial assets • Provisions, contingent liabilities and contingent assets • Power purchase agreements • <i>Reference to 2021 Enforcement priorities, which remain relevant for 2022 Annual Reports</i> 	<ul style="list-style-type: none"> • Disclosure of qualitative and quantitative information on significant impacts • Discontinued operations and non-current assets/disposal groups held for sale • Disclosures of judgements made, significant uncertainties and going concern risks* • Impairment on non-financial assets* • Impairment of financial instruments and other financial risks* 	<ul style="list-style-type: none"> • Impairment of non-financial assets • Employee benefits • Revenue from contracts with customers • Financial instruments

1.1 Climate-related matters	1.2 Direct financial impacts of Russia's invasion of Ukraine	1.3 Macroeconomic environ- ment
	<ul style="list-style-type: none"> • Loss of control, joint control or significant influence* • Other disclosures, e.g. related to deferred tax assets, fair value measurements, foreign exchange, provision and onerous contracts* 	

* See also ESMA's public statement from 13 May 2022 on ["Implications of Russia's invasion of Ukraine on half-yearly financial reports"](#), which is also considered relevant for annual reports for 2022.

Previous public statements from ESMA still relevant: [2021 ECEP](#) and [Russia/Ukraine war](#).

Additional Danish enforcement priorities

In addition to the European common enforcement priorities local regulators may decide to add specific local enforcement priorities to the above. The Danish Business Authority (DBA) has not yet published such local priorities for 2022 annual reports.

In the information letter about listed entities Annual and Interim Reports (issued 23 November 2021) DBA e.g. indicated that their future enforcement activities would be more thorough when it comes to material or high-risk areas in the Annual Reports, and specifically mentioned revenue recognition in accordance with IFRS 15 as a target area.

For more information about the DBA's information letter from 2021 please refer to DBA's information letter [here](#).