European Single Reporting Format (ESEF)

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What is ESEF?

REGULATOR

European Securities and Markets Authority (ESMA)

MANDATE

European Single Electronic Format (ESEF)

DATE

Mandatory from January 1st 2021

FIRST ANNUAL REPORT FOR FINANCIAL YEARS STARTING FROM JANUARY 1st 2021, TO BE REPORTED IN THE NEW FORMAT



European Single Electronic Format is an electronic reporting format

Companies with securities listed in an EU / EEA regulated market in scope and must present their annual report in ESEF format.

For Norway, this means companies listed on Oslo Stock Exchange and Euronext Expand.

(Euronext Growth is not in scope)



Management need to prepare their annual financial reports in ESEF format (xHTML instead of PDF).

For financial years beginning on or after 1 January 2021, the primary consolidated IFRS financial statements will need to be marked up using XBRL tags in the ESEF Taxonomy.

From 2022, the notes to the consolidated IFRS financial statements will also need to be block-tagged.



The data file is sent to "Official Appointed Mechanism"
Oslo Børs (Stock Exchange)



The terminology...



Tagging XHTML XBRL Taxonomy Dictionary for It is the mark-up Process of attributing Human and machinelanguage, which accounting terms to to the financial data readable mark-up arrange and classify makes the disclosures language and it can the most appropriate financial statement structured and element chosen from be opened with any machine-readable information

the taxonomy

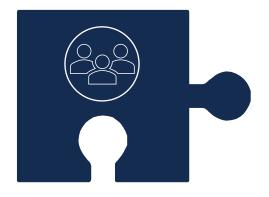
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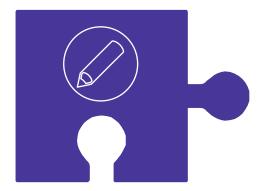
Characteristics of ESEF

ESEF stands for European Single Electronic Format

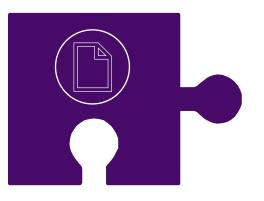




Issuers shall prepare their annual financial reports (management report, financial statements, disclosures, other information) in **XHTML format**



Where annual financial reports include IFRS consolidated financial statements, issuers shall mark up those consolidated financial statements based on IFRS XBRL taxonomy



Issuers shall submit the Inline XBRL instance document and the issuer's extension taxonomy files as a <u>single reporting</u> <u>package</u> (a .zip-file)

A PDF is considered as an unofficial copy



Why did ESMA feel the need for ESEF?



- ESEF is a key step towards EU's stated ambition for a Single Digital Market, fit for the information age, and to keep up with the rest of the world.
- This can only be done by removal of national markets' regulatory barriers to achieving an EUwide harmonization of laws and processes.
- Included as part of this broader action plan is indeed the digitization of EU listed companies' financial information through a common structured electronic format, a milestone that was long in coming considering how digital reporting is an increasing trend both within Europe and globally.

What does ESEF aim to achieve for various stakeholders?

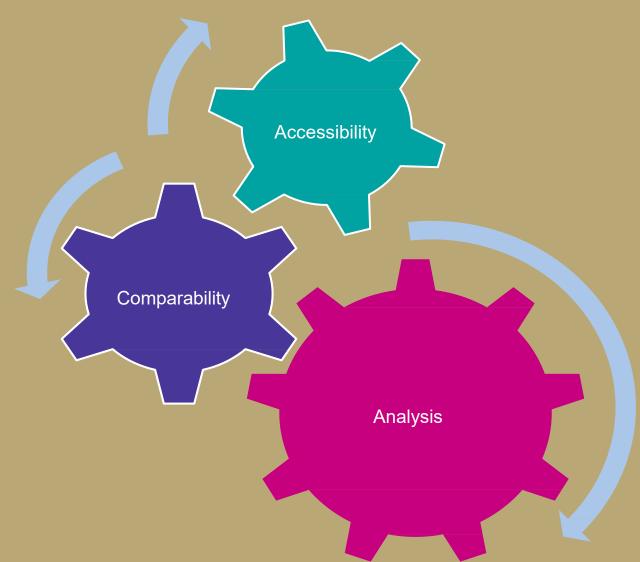


Shareholders

Analysts

Investors

Regulators



Beyond numbers...

- EU's enhanced focus on ESG has been making headlines everywhere!
- New directive: Corporate Sustainability Reporting Directive (CSRD) is a game-changer in the making. Proposed by the European Commission on April 21, 2021, the CSRD aims to widen the scope of the sustainability reporting mechanism currently in force in the EU — the Non-Financial Reporting Directive.
- The NFRD, which was introduced in 2018, is limited in coverage, applying to only around 11,000 EU companies. The CSRD regime is set to widen the coverage to roughly 50,000 companies.
- The CSRD will kick in from the 2023 financial year, with the first set of sustainability reporting standards being available from mid-2022. A second set of standards will be made available in 2024..
- The Global Reporting Initiative and the European Financial Reporting Advisory Group (EFRAG) have recently tied up to construct new EU sustainability reporting standards.
- Companies are required to furnish sustainability information in the digital xHTML format and include it in their management report. The reporting will be in accordance with the European Single Electronic Format (ESEF) regulation.

NORSKE
FINANSANALYTIKERES
FORENING