ESEF

European Common Enforcement Priorities FY 2025

AFM

Latest developments

ESMA published on 11 September 2025 their Final Report On the draft RTS as regards the 2025 update of the taxonomy for ESEF

- This draft RTS primarily constitutes a purely technical amendment of the original RTS

ESMA published on 14 October 2025 the update 2025 of the ESEF reporting manual

- Applicable for filings concerning reporting periods starting on or after 1 January 2025

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- Enforcement priorities concerning annual reports 2025 which will be published in 2026

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Most important changes to RTS on ESEF

Draft Final Report

On the draft Regulatory Technical Standards amending Delegated Regulation (EU) 2019/815 as regards the 2025 update of the taxonomy for the European Single Electronic Reporting (ESEF)

- includes technical update IFRS taxonomy 2025;

- includes two entry points, with and without early application IFRS 18 taxonomy, mark your entry point;

- IFRS 18 only allowed after adoption by EU (expected early 2026);

- IFRS 18 (if adopted) obligatory from FY starting 1 January 2027 but earlier application allowed

- by incorporating IFRS 18, Issuers can more easily prepare for a smooth transition

- RTS obligatory for FY starting 1 January 2026 but early application allowed (after publication in OJEU)

See: https://www.esma.europa.eu/press-news/esma-news/updated-2025-ifrs-taxonomy-introduced-european-single-electronic-format

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Most important changes to ESEF reporting manual

- anchoring of extension elements to core elements sharing the same data type;

- formatting of the period element;

- tagging empty fields or dash symbols;

- technical construction of a blocktag

- usage of Calculations 1.1 specification

- inclusion of content other than XHTML in stand-alone file

- sundry changes of technical nature

- updated references to EU regulations and XII XBRL specifications and other more editorial changes

ESEF Reporting Manual
Preparation of Annual Financial Reports in ESEF format
(Update October 2025)

See: https://www.esma.europa.eu/sites/default/files/library/esma32-60-254_esef_reporting_manual.pdf

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European Common Enforcement Priorities for 2026 (FY 2025)

Correctness of mark-ups

RTS on ESEF, Annex IV, §3

- IFRS taxonomy concepts in the statement of cash flows are misapplied due to misinterpretation of their scope
  - marking up **"Change in fair value on investments activities"** for an investment entity is tagged with the element *ifrs-full:AdjustmentsForGainsLossesOnFairValueAdjustmentInvestmentProperty* which refers to IAS 40 fair value gains and losses and not with the element *ifrs-full:AdjustmentsForFairValueGainsLosses.*

- IFRS taxonomy concepts in the statement of cash flows are misapplied due to misinterpretation of their granularity by applying generic / parent-level tags to a specific sub-item
  - marking up **"Interest received"** with a broad markup like *ifrs-full:CashFlowsFromOperatingActivities* instead of a more precise markup e.g. *ifrs-full:InterestReceivedClassifiedAsOperatingActivities).*

- The markup does not fully reflect the line item's meaning, often containing only part of the label or value
  - marking up **"Depreciation and amortisation expense"** with *ifrs-full:AdjustmentsForDepreciationExpense,* instead of *ifrs-full:AdjustmentsForDepreciationAndAmortisationExpense*).

European Common Enforcement Priorities for 2026 (FY 2025)

Consistency and completeness of mark-ups

RTS on ESEF, Annex II, §1
ESEF Reporting Manual, Guidance 1.8.1

- numerical items present in the human-readable primary financial statements, including those in footnotes and nil values shown as dashes or empty fields
  - ➢in the following examples, only the green- and purple-coloured fields were tagged:

Adjustments to reconcile net income to net cash provided by (used for) operating activities:			
Depreciation, amortization, and impairment of assets	[redacted]	[redacted]	[redacted]
Impairment of goodwill	[redacted]	[redacted]	

Cash and cash equivalents at the end of the year	16	[redacted]	[redacted]

Additional disclosures

During the year to 31 December 2024, interest income received was EUR [redacted] thousand (31 December 2023: EUR [redacted] thousand).

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Extension taxonomy elements and anchoring

RTS on ESEF, Annex IV, §4, 4(a), 9(a), 9(b)
ESEF Reporting Manual, Guidance 1.4.1, 1.4.2, 3.3.1, 3.3.2, 3.4.5

- Unnecessary extension element: instead of creating *ABC:ProceedsFromPPE* for “Disposal proceeds of investing PPE”, the issuer should use an existing core element like *ifrs-full:ProceedsFromSalesOfPropertyPlantAndEquipmentClassifiedAsInvestingActivities*).

- Wrong anchoring: anchoring *ABC:InterestsPaidOnLeaseLiabilities* in the cash flow statement to *ifrs-full:CashOutflowForLeases,* an element of the notes comprising both redemption and interest, instead of *ifrs-full:InterestPaidClassifiedAsOperatingActivities*, a statement of cash flows element

- Wrong balance attribute: an extension element is created for an outgoing payment line item (e.g. *ABC:RepaymentOfLoanFromRelatedParty*) with a debit attribute therefor incorrectly/unnecessary shown with a negative sign, instead of correctly setting the balance attribute of the extension element to credit and enter the amount with a positive sign

European Common Enforcement Priorities for 2026 (FY 2025)

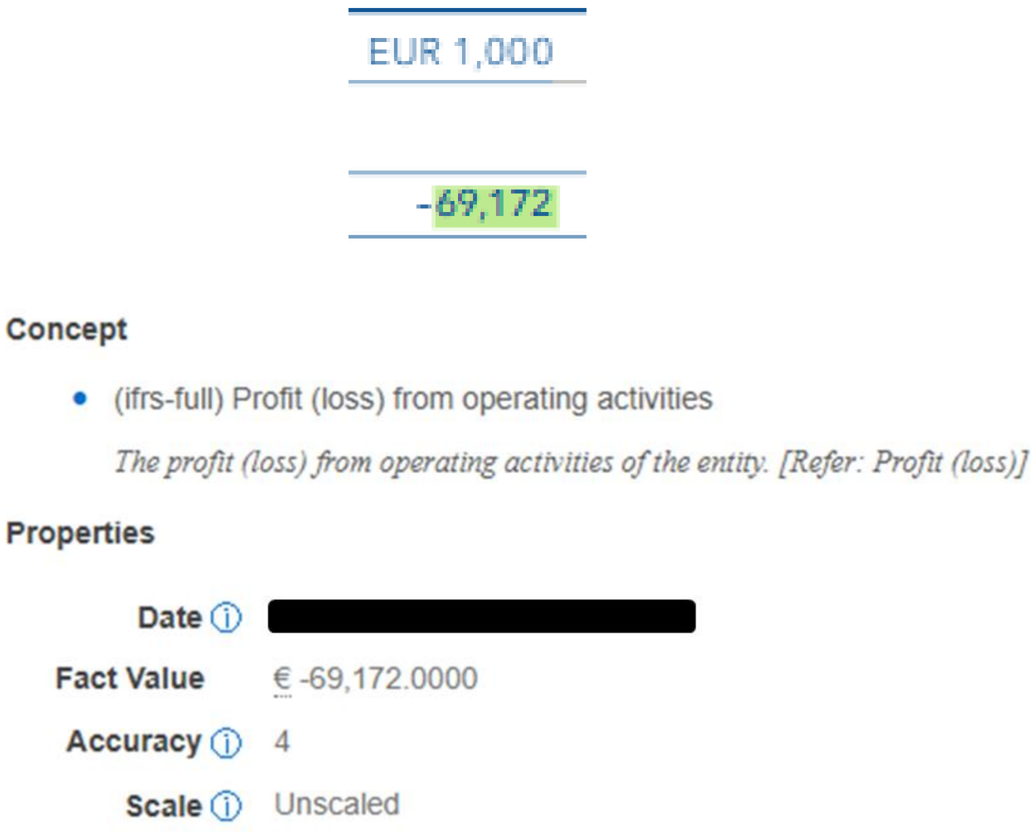
Correctness of signs, scaling and numerical representation

ESEF Reporting Manual , Guidance 1.6.1, 2.2.1, 2.2.2

- ➢Incorrect signs are applied to line items in the cashflow statement, such as showing outgoing cash flows (e.g. interest paid) as negative values, contrary to ESEF/IFRS taxonomy credit balance attribute

- ➢The decimals attribute, which defines rounding precision, is often misused: for instance, rounding set to zero when values are in thousands /millions, or left blank, resulting in unknown precision

- ➢Scaling errors occur when values shown in thousands/millions in the human-readable statements are marked up in units that could result in a data misstatement.



European Common Enforcement Priorities for 2026 (FY 2025)

Correctness of signs, scaling and numerical representation

ESEF Reporting Manual , Guidance 1.6.1, 2.2.1, 2.2.2

EUR 1,000
-69,172

Note the difference between precision and scaling!

Precision focuses on how accurate the number is
- Specifies the exact number of significant digits in a reported value.
- Helps indicate the level of accuracy or rounding.
- Example: If a value is reported as -69172000 with precision 3, it means the actual value is accurate to three significant digits (i.e., between -69,172,500 and -69,171,500).

Profit (loss) from operating activities (Reported)	€ -69,172,000	€ -69,172,500	€ -69,171,500

Scaling adjusts the magnitude of the number
- Indicates the power of 10 by which the reported number should be multiplied.
- Used to simplify large or small numbers.
- Example: A value of -69172 with a scale of 3 means the actual value is -69,172,000.

Fact Value	€ -69,172,000
Accuracy	thousands
Scale	thousands

European Common Enforcement Priorities for 2026 (FY 2025)

Structural, presentation and calculations correctness

RTS on ESEF, Annex III
ESEF Reporting Manual, Guidance 2.2.4, 2.4.1, 3.4.1, 3.4.6, 3.4.8

- **Presentation**: A complete presentation tree shall mirror the sequence of line items in the human-readable financial statements for easy navigation in XBRL software. Abstract elements must be used correctly.

- **Calculation**: To ensure a complete mathematical structure, all totals' components, including extensions, should be linked in the calculation linkbase. Relationships between totals and components are machine-readable only when calculation arcs are defined, and child concepts must carry correct signs. ESMA strongly encourages using XBRL Calculations 1.1 to better support rounding and nested & summation relationships, reducing validation errors.

Note that by applying the RTS 2024 use of Calculations 1.1 is mandatory

Cash flows from operating activities:		
Profit (loss) of the year excluding dividend		13,536
Dividend received	5	1,135
Profit (loss) of the year		14,671

Calculation details

	Concept	Reported value
-	Dividends received, classified as operating activities	€ 1,135,000,000
+	Profit (loss) from continuing operations	€ 14,671,000,000
	Profit (Loss) From Continuing Operations Excluding Dividend (Calculated)	€ 13,536,000,000
	Profit (Loss) From Continuing Operations Excluding Dividend (Reported)	€ 13,536,000,000

Questions

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