



# ESEF

Review, recommendations and future developments

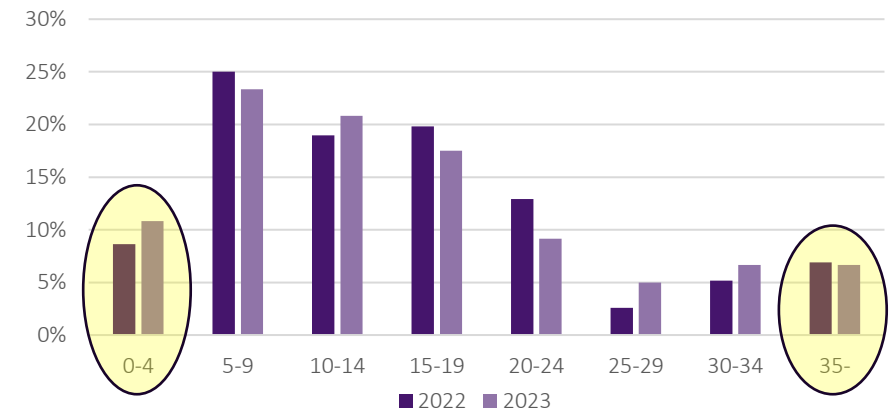
# Use of extensions, less is more

	Median 2023	Median 2022	Minimum 2023	Minimum 2022	Maximum 2023	Maximum 2022
# of monetary elements	110	109	54	54	182	167
# of monetary base elements	93	95	49	49	131	129
# of monetary extension elements	13	14	1	0	83	67

2023: N = 120 and 2022 N = 116

In 2023 two issuers needed only one extension element, in 2022 these same two issuers had respectively one and zero extension elements (reference total # of monetary elements in 2023 resp. 94 and 55, 2022 resp. 99 and 58)

# of monetary extension elements



# Use of extensions by industry, time for standard extensions?

# of extension elements per Primary Statement	Median 2023	Median 2022	Max 2023	Max 2022	Industry (largest # of extensions)
Statement of Financial Position	2	2	18	16	Industry
Statement of comprehensive income	1	1	24	12	Financials
Statement of Other Comprehensive Income	0	0	26	26	Industry
Statement of cash flows	6	7	26	23	Financials
Statement of Changes in Equity	1	2	20	12	Financials

2023: N = 120 and 2022 N = 116  
Min 2023 and 2022: nil

Most of these extension elements are slightly different between issuers, so comparison between issuers is difficult!

What about introducing the Italian model in NL?

## Italy publishes preferred national extension design document to assist data comparability

By Editor

Italy has published lists of preferred national extensions for banks and insurance companies, agreed upon by a wide range of stakeholders. These will help filers add local requirements to ESEF reports, while cutting down on idiosyncratic extensions that get in the way of comparison.

Source: <https://www.xbrl.org/tag/extensions/>



Median	Financials	Industry	Services	Technology
N	17	47	19	20
# of monetary elements	95	115	107	94
# of monetary base elements	82	97	92	89
# of monetary extension elements	15	11	12	8

# Blocktagging: time for a revisit?

ifrs-full_NameOfReportingEntityOrOtherMeansOfIdentification	119
ifrs-full_LegalFormOfEntity	119
ifrs-full_DisclosureOfIncomeTaxExplanatory	119
ifrs-full_DomicileOfEntity	118
ifrs-full_CountryOfIncorporation	118
ifrs-full_AddressOfRegisteredOfficeOfEntity	118
ifrs-full_StatementOfIFRSCompliance	116

Mmm  
N=120

Art. 4-7 TD  
Annual  
Financial  
Report

ifrs-full_DisclosureOfInterimFinancialReportingExplanatory	0
ifrs-full_DisclosureOfNetAssetValueAttributableToUnitholdersExplanatory	0
ifrs-full_DisclosureOfRegulatoryDeferralAccountsExplanatory	0
ifrs-full_DescriptionOfAccountingPolicyForMiningRightsExplanatory	0
ifrs-full_DescriptionOfAccountingPolicyForOilAndGasAssetsExplanatory	0
ifrs-full_DescriptionOfAccountingPolicyForRegulatoryDeferralAccountsExplanatory	0

ifrs-full_DisclosureOfMaterialAccountingPolicyInformationExplanatory	107
ifrs-full_NameOfParentEntity	67
ifrs-full_NameOfUltimateParentOfGroup	64
ifrs-full_DisclosureOfChangesInAccountingPoliciesExplanatory	86
ifrs-full_DisclosureOfChangesInAccountingPoliciesAccountingEstimatesAndErrorsExplanatory	66

Mmm  
N=120

Which is part of which? The first line is based on IAS 1.10(e) while the second one is based on IAS 8.1

Time for an **Update**

So at least half of the Issuers are not the (ultimate) parent themselves?

# (II)legibility of tables

Block tagging a table is only useful if the format of the table is preserved. Therefore ESMA has given guidance with respect to tagging tables contained in the notes to the financial statements.

*“Guidance 2.2.6 Readability of the information extracted from a block tag [...] ESMA is of the opinion that block tagging in ESEF should be able to designate meaningful fragments of a well-formed XHTML document that are extracted into XBRL for processing, notably that the underlying XHTML code contains the appropriate style attributes that allows for a proper display of tagged data. [...]”*

In a number of filings tables were not properly disclosed and/or no spacing was applied to f.i. ix:continuation elements which hinders readability by both human as electronic readers of the information

7. Selling & distribution. in EUR 1,000 Year ended 31. 12. 2023 Year ended 31. 12. 2022 Other selling & distribution expenses 234,439 217,728 Employee benefit expenses 102,007 81,922 Depreciation and amortisation expenses 48,695 33,584 385,141 333,234 The main categories within selling & distribution are fulfilment, last mile and marketing and also cost related to online payment methods. As percentage of sales, selling & distribution expenses significantly declined versus last year. This is largely due to further efficiency gains in marketing during the year as well as increased labour productivity. Furthermore, the selling & distribution ratio for the

*ESMA footnote: For example, in the case of information presented in a tabular format in the full document, the code underlying the XHTML document could contain relevant HTML table tags such as <table>, <th>, <tr>, etc which would ensure that the extracted tagged data includes a presentation of the fact value in a tabular format.*

## 6. EMPLOYEE BENEFIT EXPENSES AND REMUNERATION KEY MANAGEMENT EMPLOYEE BENEFIT EXPENSES AND PENSIONS

The table below gives a breakdown of the employee benefit expenses recognised in respect of short-term employee benefits and post-employment benefits:

	2023	2022
Employee benefit expenses		
Wages and salaries	27,711	17,742
Temporary employees	24,696	11,162
Social security charges	4,586	2,892
Other staff expenses	3,811	2,253
Pension costs	1,573	961
Car expenses	601	349
Share based payments expenses	185	166
Total	63,163	35,525

# Proper LEI code

On the website filings.xbrl.org the following filing of issuer ABC B.V. was identified:

The screenshot shows the XBRL website interface. At the top left is the XBRL logo with the tagline 'THE BUSINESS REPORTING STANDARD'. To the right is an 'ABOUT' link. Below the logo are filters for 'Programme: ESEF' and 'Country:'. A search bar contains a redacted name. A table lists search results with columns: ENTITY, LANGUAGE, COUNTRY, PERIOD ENDING, DATE ADDED, and VIEW. The first result is 'ABC B.V.' with language 'English', country 'NL', period ending '2023-12-31', and date added '2024-'. A magnifying glass icon is next to the date.

However, the filing concerned the listed entity which is XYZ N.V. as disclosed and tagged in the Annual Financial Report:

- (ifrs-full) Name of reporting entity or other means of identification  
*The name of the reporting entity or other means of identification.*

**Properties**

**Date** 1 Jan 2023 to 31 Dec 2023

**Fact Value** XYZ N.V.

**Accuracy** n/a

**Scale** n/a

**Change** n/a

**Entity** [LEI]

**Concept** ifrs-full:NameOfRe...  
<https://xbrl.ifrs.org/tax...03-24/ifrs-full>

**Taxonomy**

< 1 of 1 >

The LEI code in the context however refers to:

(Primary) Legal Name	ABC B.V.
Other Names	DEF
Registered At	Business Register (The Netherlands Chamber of Commerce) Handelsregister (Kamer van Koophandel) Netherlands RA000463
Registered As	
Jurisdiction Of Formation	NL
General Category	GENERAL
Entity Legal Form	besloten vennootschap met beperkte aansprakelijkheid (nl) 54M6
Entity Status	INACTIVE

Deze hoofdstemming is uitgeschreven uit het Handelsregister.

XYZ B.V.

Hoofdstemming KVK

# Relative # of questions raised re. detailed tagging

All numbers in a disclosed currency in the Primary Financial Statements of IFRS consolidated financial statements are tagged using the appropriate taxonomy element with either:

- the core taxonomy element (schema in ANNEX VI) with the closest accounting meaning to the disclosure being marked up; or	RTS.IV.3	29%
- an extension taxonomy element if no appropriate core taxonomy element exists that does not misrepresent the accounting meaning of the disclosure	RTS.IV.4	9%
No extension elements are created for numbers in a disclosed currency for which an element in the core taxonomy exist	RTS.IV.4.a	13%
All extensions are anchored to the core taxonomy element(s) having the closest wider accounting meaning and/or scope to it	RTS.IV.9.a	21%
Extensions which are a combination of two or more core taxonomy elements are anchored to those core taxonomy elements	RTS.IV.9.b	8%
Negative numbers are correctly expressed as a negative number	G.1.6.1	4%
All numbers are having the right scaling and rounding	G.1.7.1 or G2.2.1	1%
No presence of inconsistent duplicates	RTS.IV.12 & G.2.2.4	1%
No presence of inconsistent calculations other than rounding differences	G.3.4.1	0%
All elements are labeled with the right date and/or period		1%
Presentation linkbase is consistent with human readable HTML layer	G.3.4.6	3%
Calculation linkbase is consistent with presentation linkbase and contains all calculations leading to defined subtotals except for movement schedules (cash flow and equity movement schedule)		3%
There are no hidden facts in the XBRL instance	G.2.4.1	0%
Completeness of tagging:		
All numbers in a declared currency contained in the PFS of IFRS consolidated financial statements are marked-up with an XBRL tag	RTS.II.1	4%

# Selecting the closest related element



The line item "Right-of-use assets" in the consolidated statement of financial position is tagged with the base element:

*"RightofuseAssetsThatDoNotMeetDefinitionOfInvestmentProperty"*.

This seems to be giving more information than the human readable version of the AFR. The fact that Investment Property is not part of the Right-of-use assets cannot be deducted from the Consolidated statement of financial position. However analyzing the information contained in the notes, it is clear that investment property is not part of the right-of-use assets. In principle at least two elements can be considered:

*ifrs-full:RightofuseAssets*

Or

*ifrs-full: RightofuseAssetsThatDoNotMeetDefinitionOfInvestmentProperty*

Based on the information contained in the primary statements only the first element would suffice, however taking into account the information in the notes the second element would be better.

*Which information shall be used in order to select the right element:*

- Primary consolidated financial statements only*
- Primary consolidated financial statements and the notes thereto*
- Full AFR (so including management report and, if applicable, company only financial statements)*



# Do not blindly copy the documentation label

In the consolidated statement of cash flows, the following line-item describes an adjustment on realized loss on the sale of an asset to reconcile profit before tax to cash flow from operating activities:

*“Gain/(Loss) on disposal of property, plant and equipment”.*

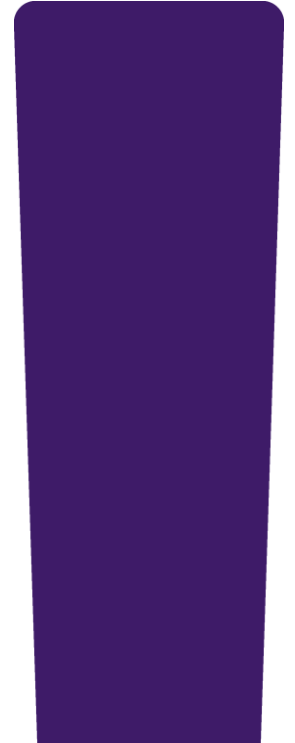
In the base taxonomy the following element refers to adjustments for the reconciliation of profit before tax to cash flow from operating activities:

*“ifrs-full:AdjustmentsForGainLossOnDisposalsPropertyPlantAndEquipment” with the balance attribute “credit”.*

The documentation label states: *“Adjustments for gain (loss) on disposals of property, plant and equipment to reconcile profit (loss) to net cash flow from (used in) operating activities.”*

In this reconciliation a loss should be added (and a gain subtracted) in order to reconcile to operating cash flow. In case of a loss the number should therefor be entered with a negative sign. The human readable text in the cash flow statement should reflect this and therefor the line item should have been:

*“(Gain)/Loss on disposal of property, plant and equipment”.*



# Anchoring and data types

In the consolidated 2024 ESEF Reporting Manual in G 1.4.1 Anchoring of extension elements to elements in the ESEF taxonomy that are wider in scope or meaning is stated that:

*“Moreover, ESMA is of the opinion, that to improve the quality and usability of the anchoring relationships in issuers’ extensions elements, issuers should anchor their extension elements to ESEF core taxonomy elements sharing the same data type. For example, if an issuer creates an extension element of monetaryItemType, such element should only be tagged to corresponding ESEF core taxonomy element of monetaryItemType (and not e.g. stringItemType).”*

Since this phrase is only mentioned in G 1.4.1 (which is about wider anchors) and not in G 1.4.2 (which deals with narrower anchors) issuers questioned if this guidance is also valid for narrower anchors.

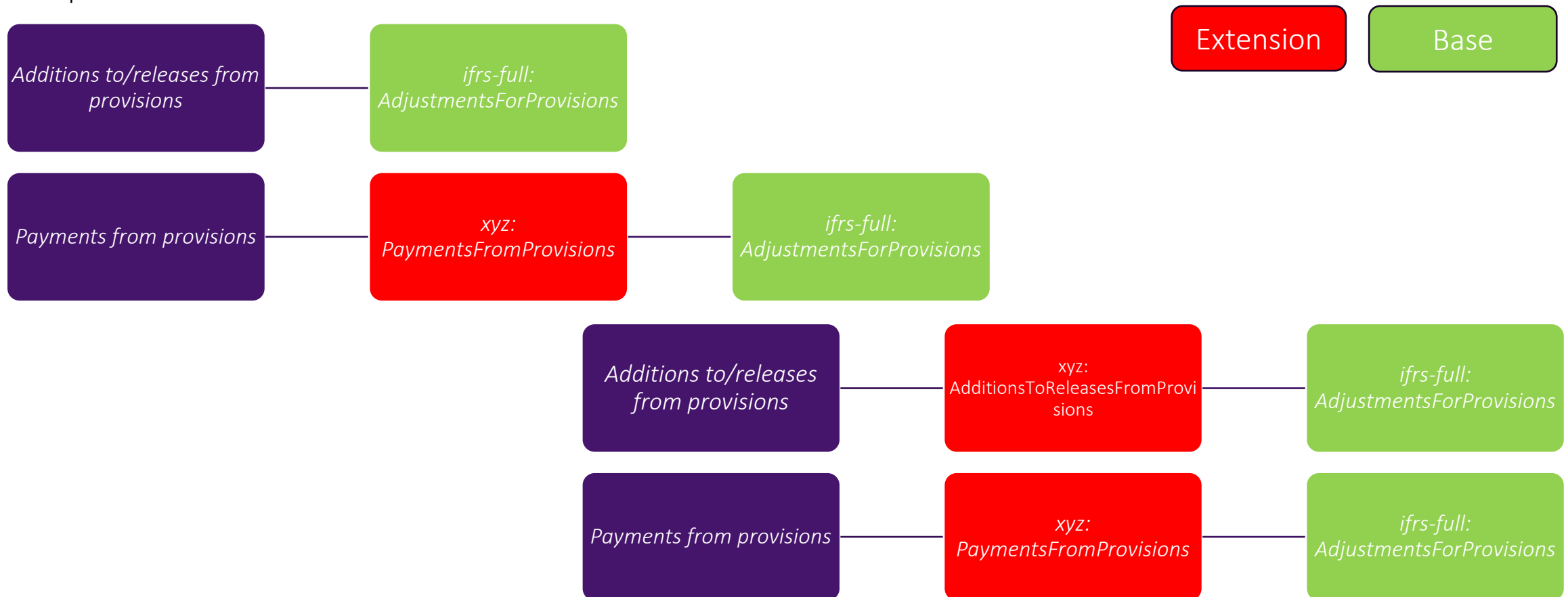
The AFM is of the opinion that the clarification in G 1.4.1 is about anchoring in general, so it applies both to wider as well as narrower anchors.



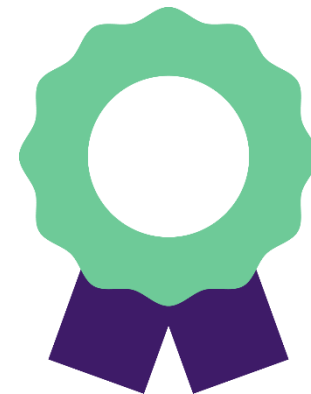
# Tagging multiple line items for which only one base element exist : tagging choice?

In the consolidated statement of cash flows, two line-items are presented to reconcile profit before tax to cash flow from operating activities: “Additions to/releases from provisions” and “Payments from provisions”.

In the base taxonomy only one element refers to adjustments for movements in provisions being the element: *ifrs-full:AdjustmentsForProvisions*. In order to tag the two line-items in the consolidated statement of cash-flows one can identify two possible solutions:



# Calculations 1.1



In the consolidated 2024 ESEF Reporting Manual it is stated that:

*“Following the transition of the IFRS Foundation to **the Calculations 1.1 specification** in the IFRS Taxonomy 2024, **ESMA recommends its application in the context of ESEF reports**. Hence, when documenting arithmetical relationships within the calculation linkbase of their extension taxonomies, issuers shall apply <https://www.xbrl.org/2023/arcrole/summation-item>. Moreover, consumers of ESEF reports are encouraged to apply Calculation 1.1 validations in their tools to limit the possibility of receiving false positive calculation inconsistencies, often found in reports relying solely on the XBRL 2.1 calculation checks. Furthermore, ESMA recommends that software firms include the following rule in their tools ensuring:*

*Arithmetical relationships defined in the calculation linkbase of an issuer’s taxonomy **MUST** use the <https://www.xbrl.org/2023/arcrole/summation-item> arcrole as defined in Calculation 1.1 specification.*

*In case of violation, the following message is recommended to be used: Violation: “IncorrectSummationItemArcroleUsed”*

**Can an Issuer, using the 2022 RTS on ESEF instead of early adopting the 2024 RTS on ESEF, use Calculations 1.1?**

# Reporting package 1.0



In the consolidated 2024 ESEF Reporting Manual it is stated that:

*“ESMA recommends that issuers prepare their ESEF submissions according to the Report Package 1.0 specification published by XBRL International which indicates how Inline XBRL documents are to be included within a report package. Issuers should follow all the provisions of the above specification, specifically in the context of the recognised file extensions for report types and report packages. Moreover, ESMA recommends that software firms ensure that, in case of incompliance with the above specification, the official specification error codes are presented to issuers.”*

However the usage of the Report Package 1.0 specification is only mentioned in the 2024 RTS On ESEF and not the 2022 RTS on ESEF.

**Can an Issuer, using the 2022 RTS on ESEF instead of early adopting the 2024 RTS on ESEF, use the Report Package 1.0 specification?**

## Latest and future developments

ESMA published in July 2024 their Final Report On the draft RTS as regards the 2024 update of the taxonomy for ESEF

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

ESMA update 2024 of the ESEF reporting manual

- Applicable for filings concerning reporting periods starting on or after 1 January 2024



# Most important changes to ESEF reporting manual

- tagging empty fields or dash symbols;
- the readability of the information extracted from a block tag;
- anchoring of extension elements to core elements sharing the same data type;
- use of unique identifiers for each tagged fact;
- usage of Report Package 1.0 specification
- naming convention with version number
- usage of Calculations 1.1 specification



11 July 2024  
ESMA32-60-254 Rev

**ESEF Reporting Manual**  
Preparation of Annual Financial Reports in ESEF format  
(Update July 2024)

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ESMA published the ECEPs for FY 2024





# European Common Enforcement Priorities for 2025 (FY 2024)

- Correctness of mark-ups (29%)
- Extension taxonomy elements and anchoring (51%)
- Consistency and completeness of mark-ups (4%)
- Correctness of signs, scaling and accuracy (5%)
- Consistency of calculations (3%)

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ESMA consultation paper for future changes to the RTS to define the markup rules for sustainability reports expected in the 4th qrt of 2024<sup>(1)</sup>

- ESMA also communicated that ESMA is aware of market challenges regarding the mark up rules for the notes and is considering a potential revision. If ESMA proceeds, the intention is to consult and bundle this with the sustainability rules

Change in Decree of electronic filing (Besluit elektronische deponering handelsregister)

- Large companies have to start electronic filing over FY 2025



(1) Source: [https://www.esma.europa.eu/sites/default/files/2024-01/ESMA24-229244789-4620\\_Overview\\_of\\_planned\\_consultation\\_papers\\_2024.pdf](https://www.esma.europa.eu/sites/default/files/2024-01/ESMA24-229244789-4620_Overview_of_planned_consultation_papers_2024.pdf)

# Explorative interviews with PIE audit firms – key takeaways

- Starting early is key and dry-runs are used to solve issues in an early stage in the audit;
- Currently auditors and clients primarily think in traditional financial statements (in PDF). This is slowly transitioning in (X)HTML format with its inherent technical and tagging implications;
- Drafting financial statement using the “PDF conversion method” is more prone to complications compared to design directly in (X)HTML format;
- The use of software to see both machine and human readable financial statements helps to understand the tagging process and technical issues;

# Change in Decree of electronic filing

Change in Decree of electronic filing and in combination with the requirements re CSRD/ESRS will change the landscape for large companies and their audit firms drastically (not only PIEs)

## Therefore the AFM encourages companies to:

- Engage a software vendor in the early stages to be able to fulfill all coming legal requirements;
- Select external advisors to help you and educate your staff in XBRL tagging
- Start directly with (X)HTML-based design software to prepare the Annual report to ensure the machine readable version is equal to the human readable version and no conversion problems arise;
- Select the XBRL format to use; it can be efficient to choose the ESEF from the start as for the CSRD tagging in the near future ESEF will be mandatory.

## The AFM also encourages all audit firms to:

- Analyse which clients will have to report in XBRL starting from financial year 2025
- Select the proper software tool to audit the (X)HTML-files that will be produced by your clients
- Set up your organization to cope with the XBRL-requirements, include the audit of the XHTML report in your electronic audit files
- Educate your people in the XBRL requirements, taxonomies and audit tools



Check  
ECEPs

Necessity of  
Extension(s)

Check  
Anchoring

Align  
Linkbases

Consistency of  
(Block)tags

Legibility of  
Tables

Start in time and  
consider adopting  
an HTML design  
process

# Questions

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