

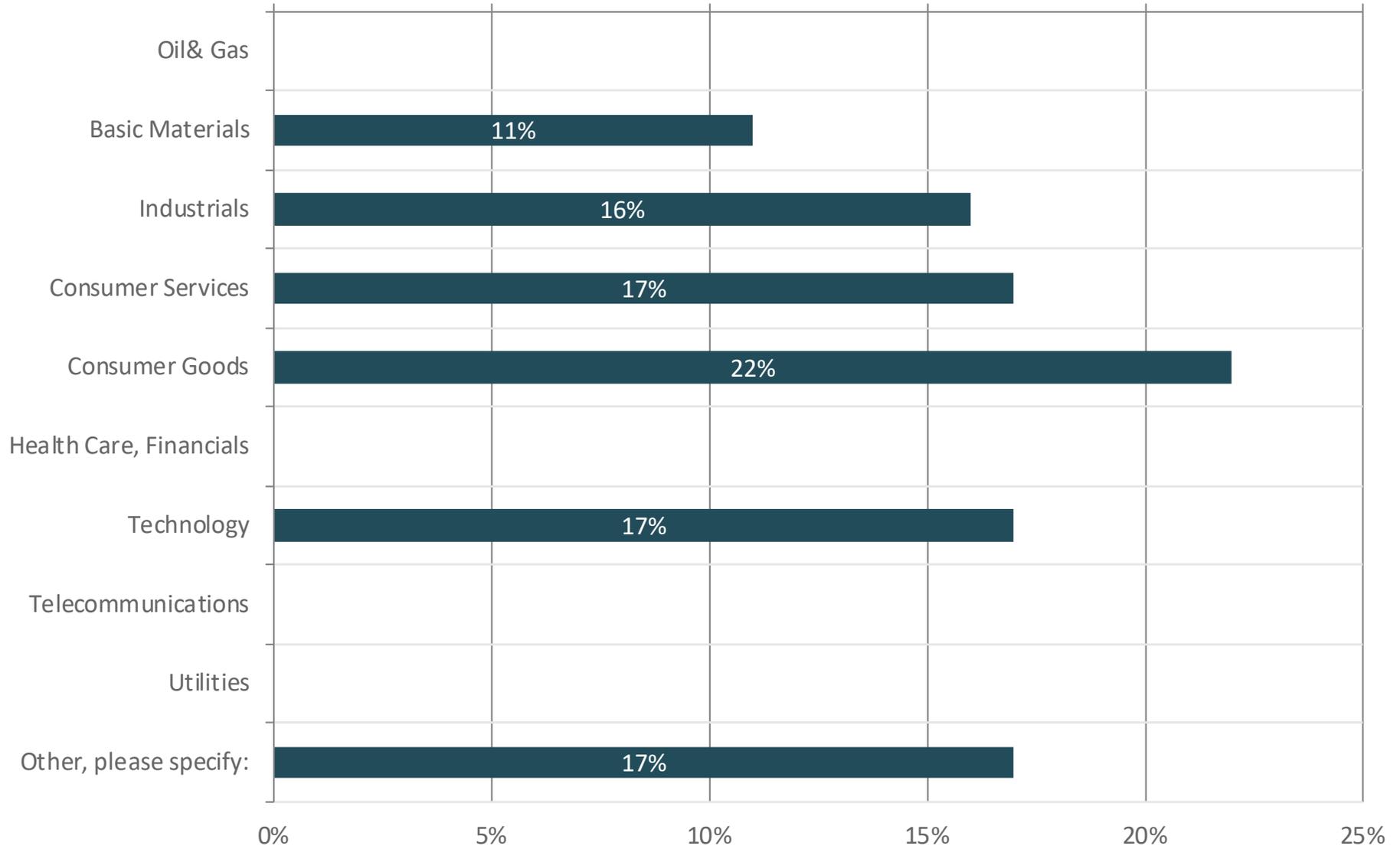
**Survey on ESEF (European Single Electronic Format) financial reporting requirements (xHTML and iXBRL)**

# Survey

- The survey was conducted in collaboration between Aalto University School of Business, XBRL Finland and the Finnish Financial Supervisory Authority.
- The aim of the survey was to probe the current state of XBRL implementation in Finnish issuers that are impacted by the ESEF reporting requirements. This survey is a follow-up survey to a similar study made in April 2019. The survey included background questions, questions on the current stage of implementation, questions concerning the choice of deployment model, and questions on issuers' opinions regarding XBRL and the ESEF reporting requirements.
- The survey was conducted in March 2020. The survey was sent to 145 Finnish issuers and 18 responses were received, yielding a response rate of 12%.
- The following slides report the findings of the survey and make a comparison between the responses given by the issuers in 2019 and 2020.
- The survey was administered by Esko Penttinen from Aalto University (esko.penttinen@aalto.fi).

# 1. In what industry does your company operate in?

Number of respondents: 18



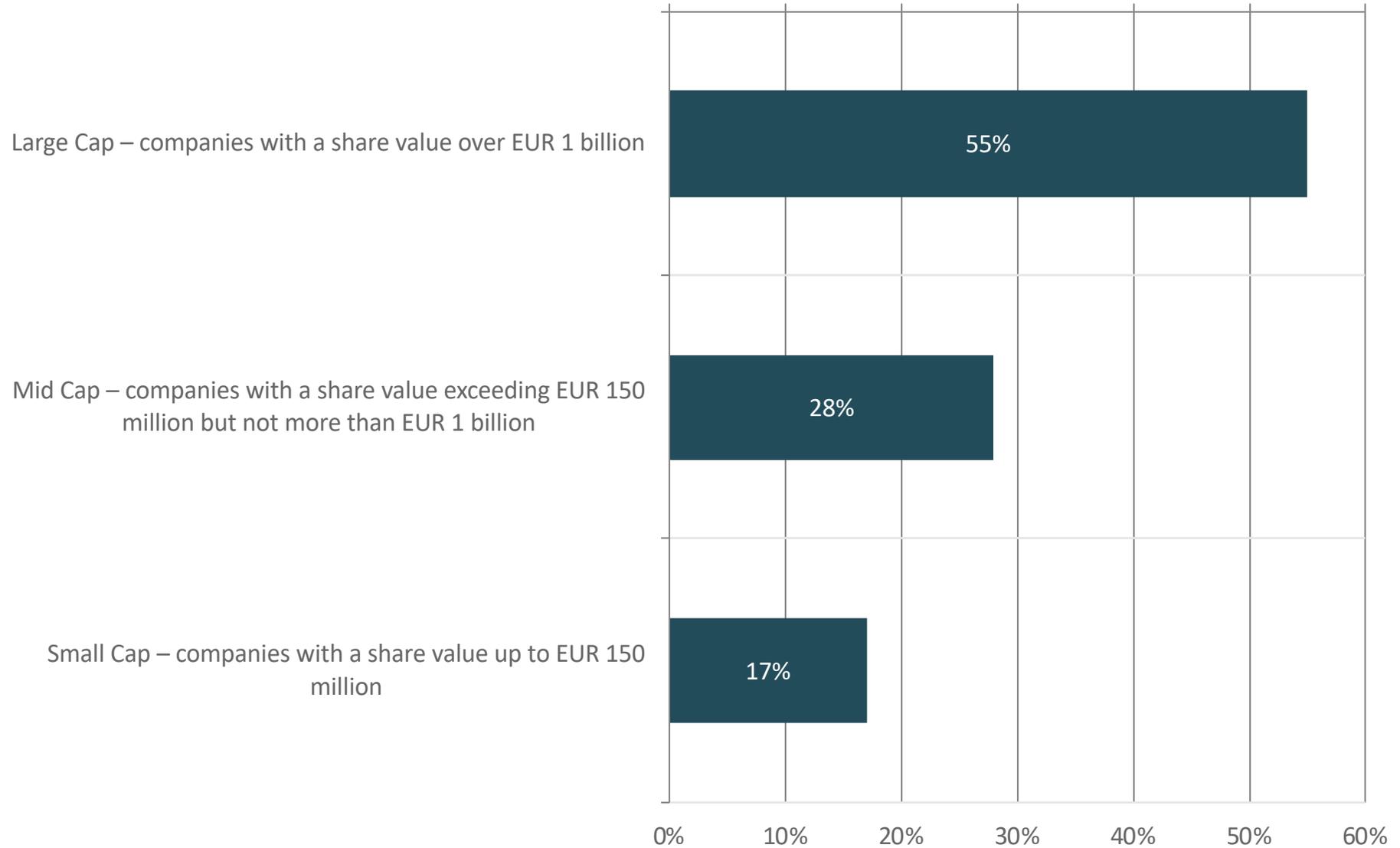
# 1. In what industry does your company operate in?

Number of respondents: 18

	n	Prosentti
Oil& Gas	0	0%
Basic Materials	2	11,11%
Industrials	3	16,66%
Consumer Services	3	16,67%
Consumer Goods	4	22,22%
Health Care, Financials	0	0%
Technology	3	16,67%
Telecommunications	0	0%
Utilities	0	0%
Other, please specify:	3	16,67%

## 2. In what segment are you listed?

Number of respondents: 18



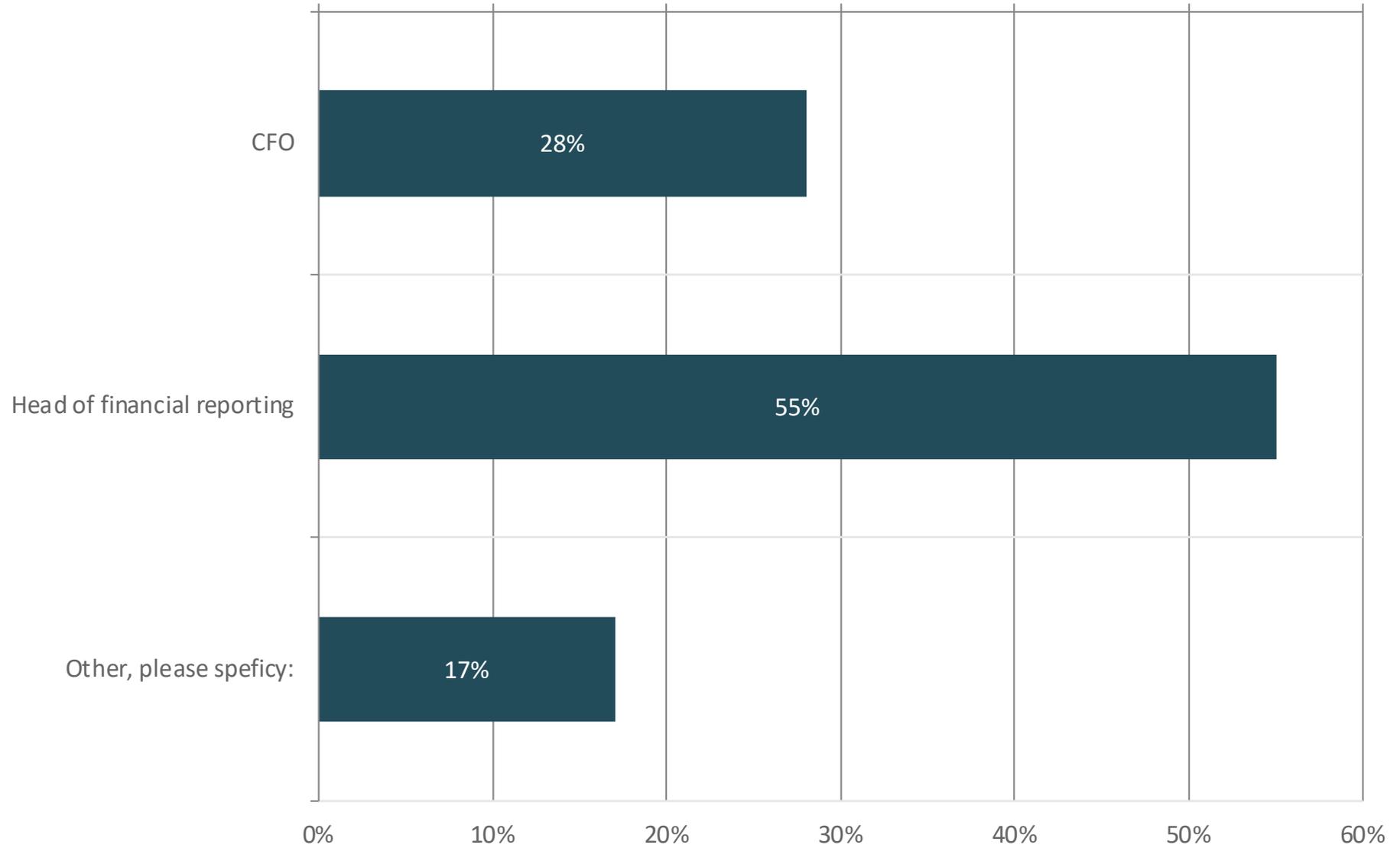
## 2. In what segment are you listed?

Number of respondents: 18

	n	Prosentti
Large Cap – companies with a share value over EUR 1 billion	10	55,55%
Mid Cap – companies with a share value exceeding EUR 150 million but not more than EUR 1 billion	5	27,78%
Small Cap – companies with a share value up to EUR 150 million	3	16,67%

### 3. What is your role?

Number of respondents: 18



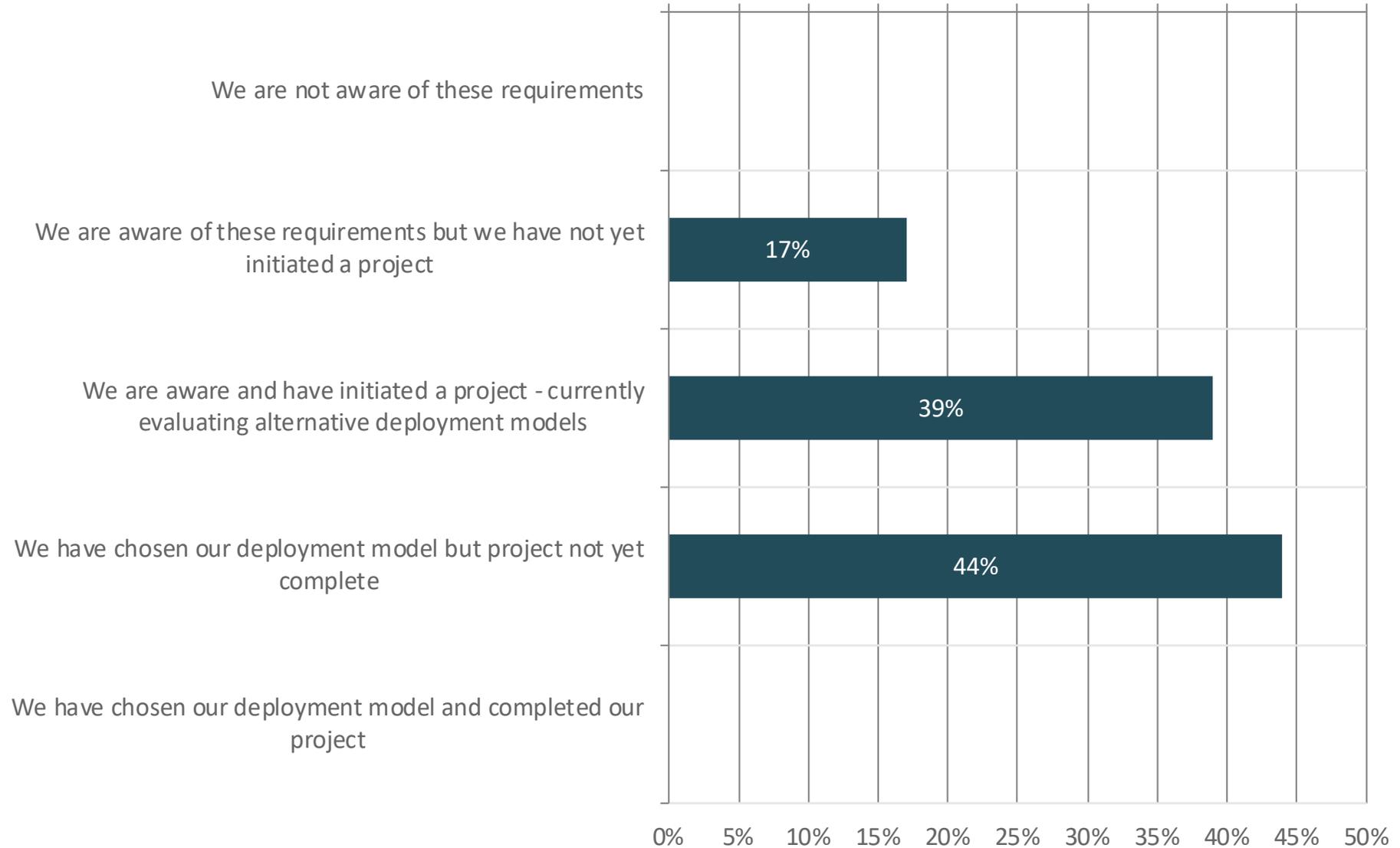
### 3. What is your role?

Number of respondents: 18

	n	Prosentti
CFO	5	27,78%
Head of financial reporting	10	55,55%
Other, please specify:	3	16,67%

#### 4. At what stage are you in fulfilling the ESEF financial reporting requirements?

Number of respondents: 18



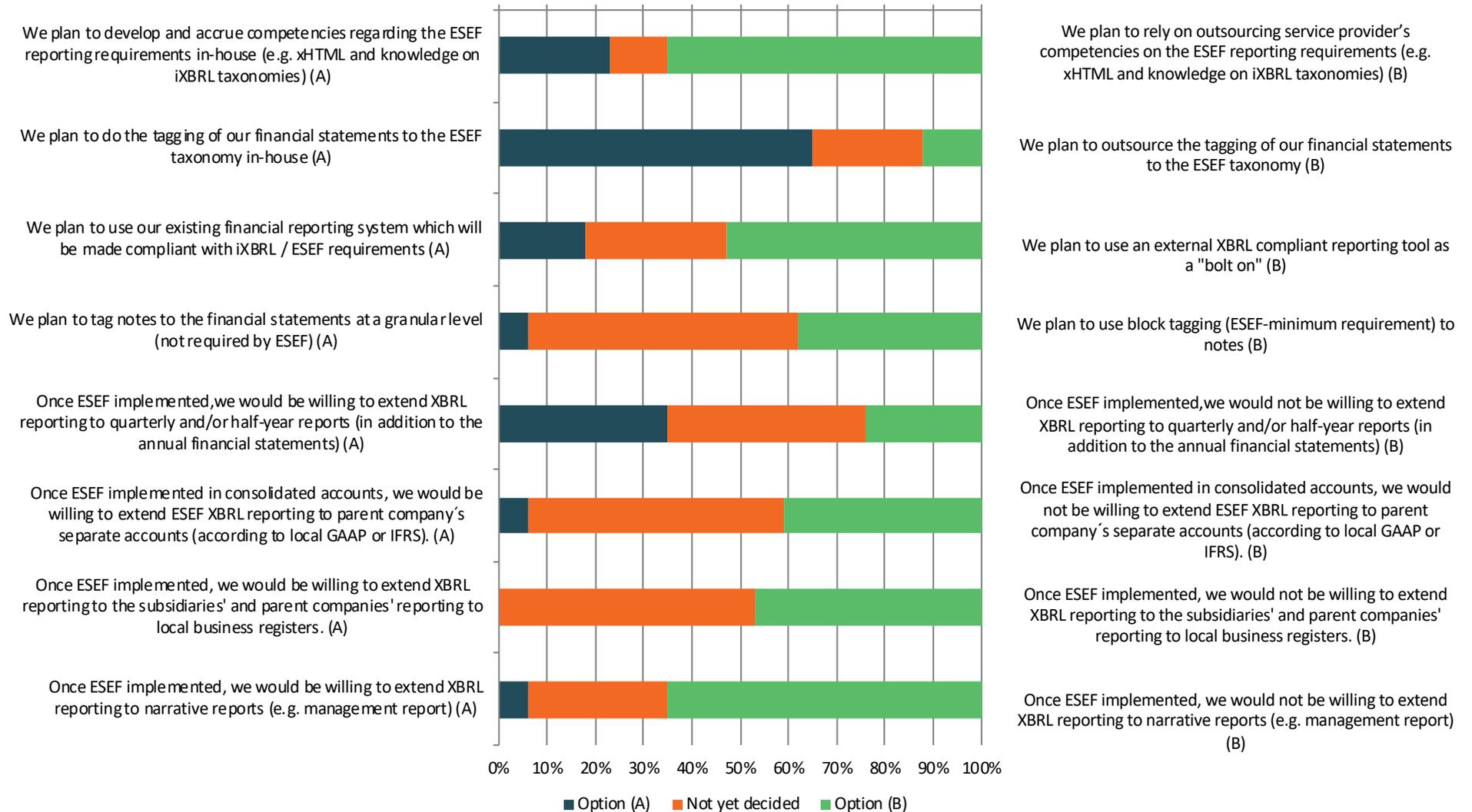
#### 4. At what stage are you in fulfilling the ESEF financial reporting requirements?

Number of respondents: 18

	n	Prosentti
We are not aware of these requirements	0	0%
We are aware of these requirements but we have not yet initiated a project	3	16,67%
We are aware and have initiated a project - currently evaluating alternative deployment models	7	38,89%
We have chosen our deployment model but project not yet complete	8	44,44%
We have chosen our deployment model and completed our project	0	0%

## 5. Please indicate how you plan to implement the ESEF financial reporting requirements (for potentially unclear vocabulary, consult e.g. <https://www.xbrl.org/the-standard/how/getting-started-for-business/>)

Number of respondents: 17



**5. Please indicate how you plan to implement the ESEF financial reporting requirements (for potentially unclear vocabulary, consult e.g. <https://www.xbrl.org/the-standard/how/getting-started-for-business/>)**

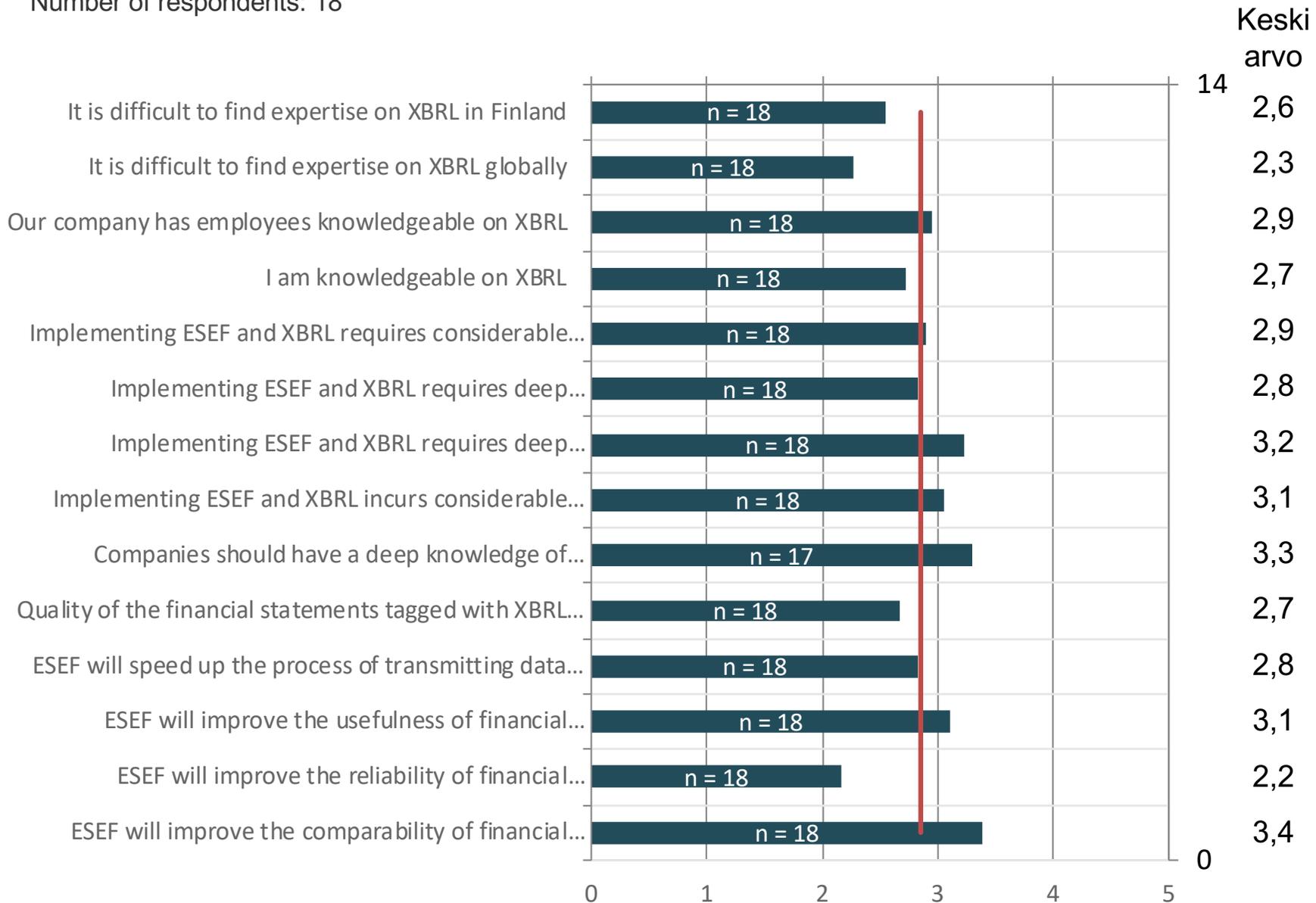
Number of respondents: 17

	Option (A)	Not yet decided	Option (B)		Yhteensä	Keskiarvo	Mediaani
We plan to develop and accrue competencies regarding the ESEF reporting requirements in-house (e.g. XHTML and knowledge on iXBRL taxonomies) (A)	4	2	11	We plan to rely on outsourcing service provider's competencies on the ESEF reporting requirements (e.g. XHTML and knowledge on iXBRL taxonomies) (B)	17	2,41	3
	23,53%	11,76%	64,71%				
We plan to do the tagging of our financial statements to the ESEF taxonomy in-house (A)	11	4	2	We plan to outsource the tagging of our financial statements to the ESEF taxonomy (B)	17	1,47	1
	64,71%	23,53%	11,76%				
We plan to use our existing financial reporting system which will be made compliant with iXBRL / ESEF requirements (A)	3	5	9	We plan to use an external XBRL compliant reporting tool as a "bolt on" (B)	17	2,35	3
	17,65%	29,41%	52,94%				
We plan to tag notes to the financial statements at a granular level (not required by ESEF) (A)	1	9	6	We plan to use block tagging (ESEF-minimum requirement) to notes (B)	16	2,31	2
	6,25%	56,25%	37,5%				

Once ESEF implemented, we would be willing to extend XBRL reporting to quarterly and/or half-year reports (in addition to the annual financial statements) (A)				Once ESEF implemented, we would not be willing to extend XBRL reporting to quarterly and/or half-year reports (in addition to the annual financial statements) (B)			
	35,29%	41,18%	23,53%				
Once ESEF implemented in consolidated accounts, we would be willing to extend ESEF XBRL reporting to parent company's separate accounts (according to local GAAP or IFRS). (A)	1	9	7	Once ESEF implemented in consolidated accounts, we would not be willing to extend ESEF XBRL reporting to parent company's separate accounts (according to local GAAP or IFRS). (B)	17	2,35	2
	5,88%	52,94%	41,18%				
Once ESEF implemented, we would be willing to extend XBRL reporting to the subsidiaries' and parent companies' reporting to local business registers. (A)	0	9	8	Once ESEF implemented, we would not be willing to extend XBRL reporting to the subsidiaries' and parent companies' reporting to local business registers. (B)	17	2,47	2
	0%	52,94%	47,06%				
Once ESEF implemented, we would be willing to extend XBRL reporting to narrative reports (e.g. management report) (A)	1	5	11	Once ESEF implemented, we would not be willing to extend XBRL reporting to narrative reports (e.g. management report) (B)	17	2,59	3
	5,88%	29,41%	64,71%				
Yhteensä	27	50	58		135	2,23	2

**6. Please indicate on a scale (1 = do not agree ... 5 = agree), your opinion on the following statements regarding ESEF and XBRL**

Number of respondents: 18



**6. Please indicate on a scale (1 = do not agree ... 5 = agree), your opinion on the following statements regarding ESEF and XBRL**

Number of respondents: 18

	1	2	3	4	5	Keskiarvo	Mediaani
It is difficult to find expertise on XBRL in Finland	16,67%	38,89%	22,22%	16,67%	5,55%	2,56	2
It is difficult to find expertise on XBRL globally	16,67%	50%	27,78%	0%	5,55%	2,28	2
Our company has employees knowledgeable on XBRL	5,56%	44,44%	11,11%	27,78%	11,11%	2,94	2,5
I am knowledgeable on XBRL	11,11%	44,44%	22,22%	5,56%	16,67%	2,72	2
Implementing ESEF and XBRL requires considerable investments in IT resources from companies	22,22%	16,66%	27,78%	16,67%	16,67%	2,89	3
Implementing ESEF and XBRL requires deep knowledge of XBRL from companies	11,11%	33,33%	22,22%	27,78%	5,56%	2,83	3
Implementing ESEF and XBRL requires deep knowledge of IFRS from companies	5,56%	33,33%	16,67%	22,22%	22,22%	3,22	3

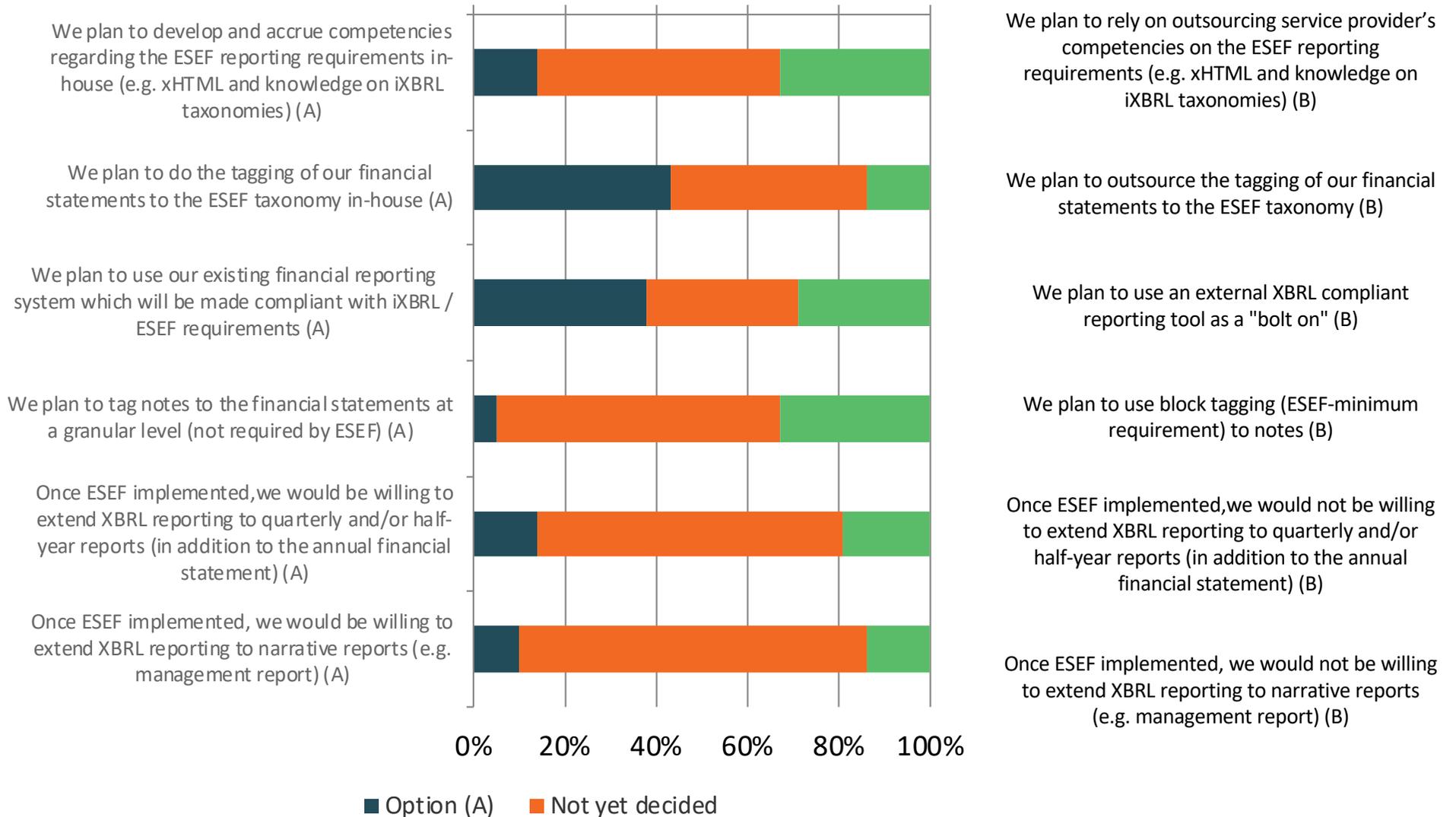
Implementing ESEF and XBRL incurs considerable costs to companies	5,55%	38,89%	16,67%	22,22%	16,67%	3,06	3
Companies should have a deep knowledge of ESEF/XBRL taxonomy	0%	17,65%	35,29%	47,06%	0%	3,29	3
Quality of the financial statements tagged with XBRL will suffer if XBRL-tags are not audited	16,67%	27,78%	33,33%	16,67%	5,55%	2,67	3
ESEF will speed up the process of transmitting data on financial statements to users	16,67%	22,22%	27,78%	27,78%	5,55%	2,83	3
ESEF will improve the usefulness of financial statements	11,11%	11,11%	38,89%	33,33%	5,56%	3,11	3
ESEF will improve the reliability of financial statements	33,33%	33,33%	16,67%	16,67%	0%	2,17	2
ESEF will improve the comparability of financial statements	5,55%	16,67%	16,67%	55,55%	5,56%	3,39	4

## **Comparison between 2019 and 2020**

**5. Please indicate how you plan to implement the ESEF financial reporting requirements (for potentially unclear vocabulary, consult e.g. <https://www.xbrl.org/the-standard/how/getting-started-for-business/>)**

Number of respondents: 21

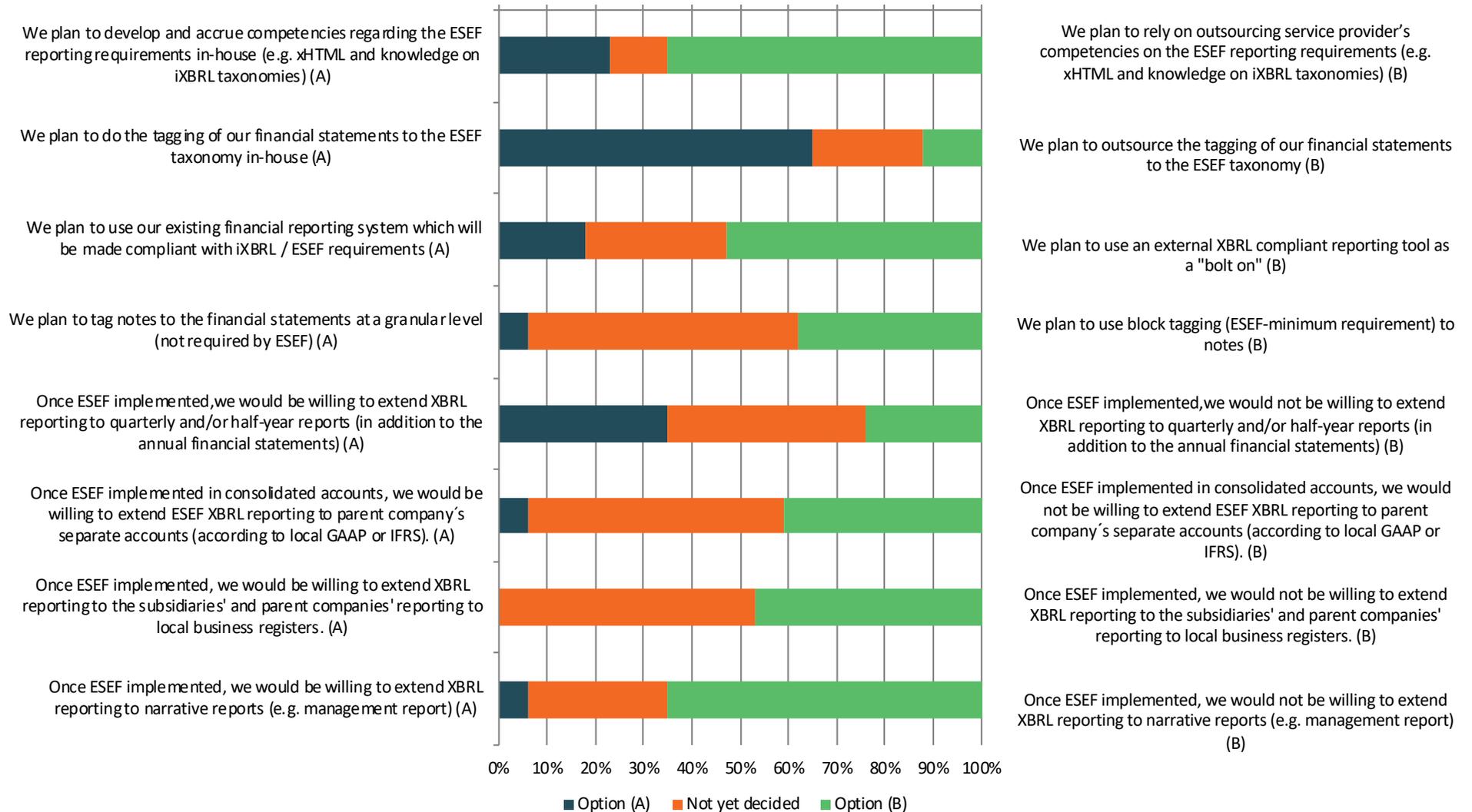
# 2019



## 5. Please indicate how you plan to implement the ESEF financial reporting requirements (for potentially unclear vocabulary, consult e.g. <https://www.xbrl.org/the-standard/how/getting-started-for-business/>)

Number of respondents: 17

# 2020



We plan to develop and accrue competencies regarding the ESEF reporting requirements in-house (e.g. xHTML and knowledge on iXBRL taxonomies) (A)

We plan to rely on outsourcing service provider's competencies on the ESEF reporting requirements (e.g. xHTML and knowledge on iXBRL taxonomies) (B)

We plan to do the tagging of our financial statements to the ESEF taxonomy in-house (A)

We plan to outsource the tagging of our financial statements to the ESEF taxonomy (B)

We plan to use our existing financial reporting system which will be made compliant with iXBRL / ESEF requirements (A)

We plan to use an external XBRL compliant reporting tool as a "bolt on" (B)

We plan to tag notes to the financial statements at a granular level (not required by ESEF) (A)

We plan to use block tagging (ESEF-minimum requirement) to notes (B)

Once ESEF implemented, we would be willing to extend XBRL reporting to quarterly and/or half-year reports (in addition to the annual financial statements) (A)

Once ESEF implemented, we would not be willing to extend XBRL reporting to quarterly and/or half-year reports (in addition to the annual financial statements) (B)

Once ESEF implemented in consolidated accounts, we would be willing to extend ESEF XBRL reporting to parent company's separate accounts (according to local GAAP or IFRS). (A)

Once ESEF implemented in consolidated accounts, we would not be willing to extend ESEF XBRL reporting to parent company's separate accounts (according to local GAAP or IFRS). (B)

Once ESEF implemented, we would be willing to extend XBRL reporting to the subsidiaries' and parent companies' reporting to local business registers. (A)

Once ESEF implemented, we would not be willing to extend XBRL reporting to the subsidiaries' and parent companies' reporting to local business registers. (B)

Once ESEF implemented, we would be willing to extend XBRL reporting to narrative reports (e.g. management report) (A)

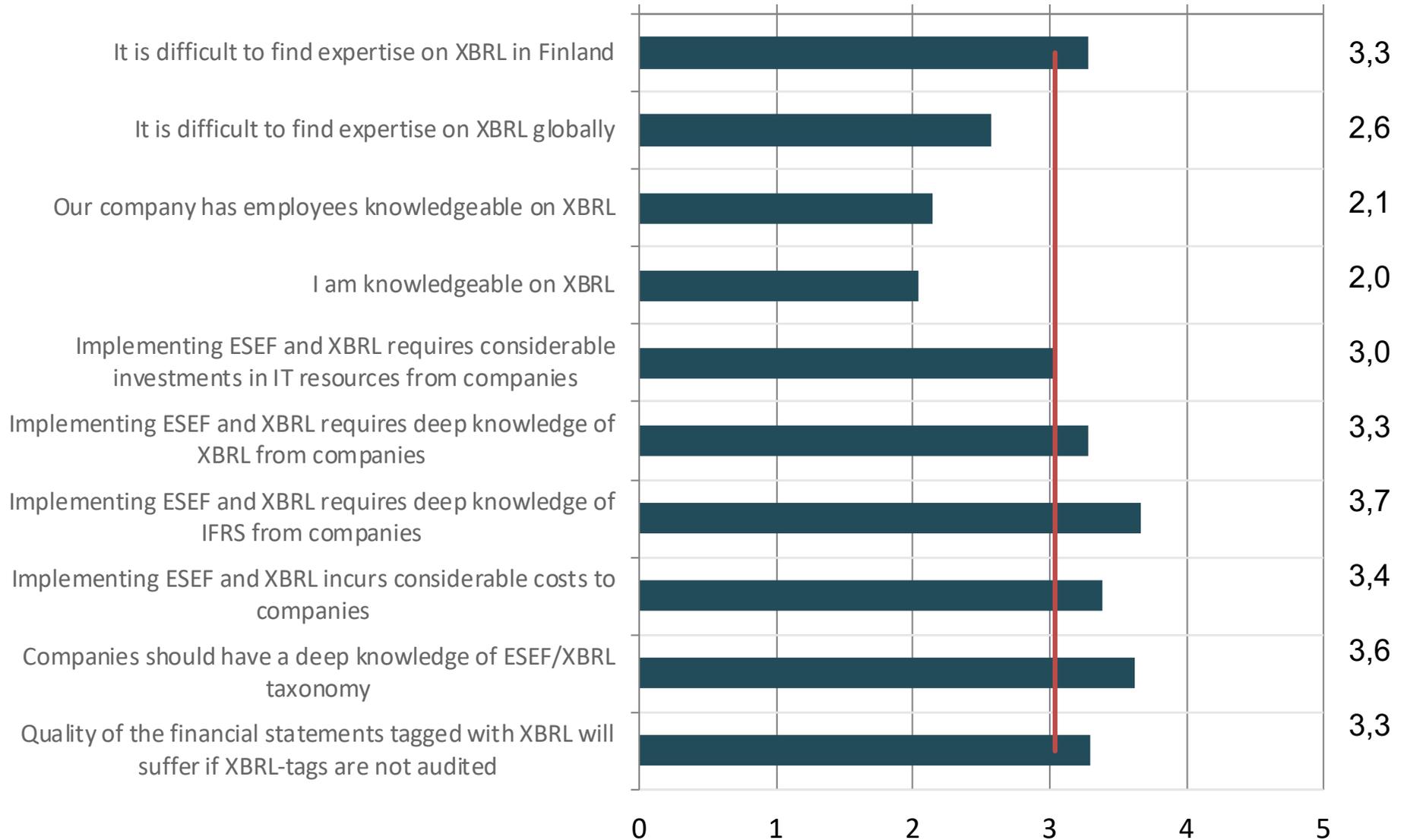
Once ESEF implemented, we would not be willing to extend XBRL reporting to narrative reports (e.g. management report) (B)

**6. Please indicate on a scale (1 = do not agree ... 5 = agree), your opinion on the following statements regarding ESEF and XBRL**

Vastaajien määrä: 21

**2019**

Keskiarvo

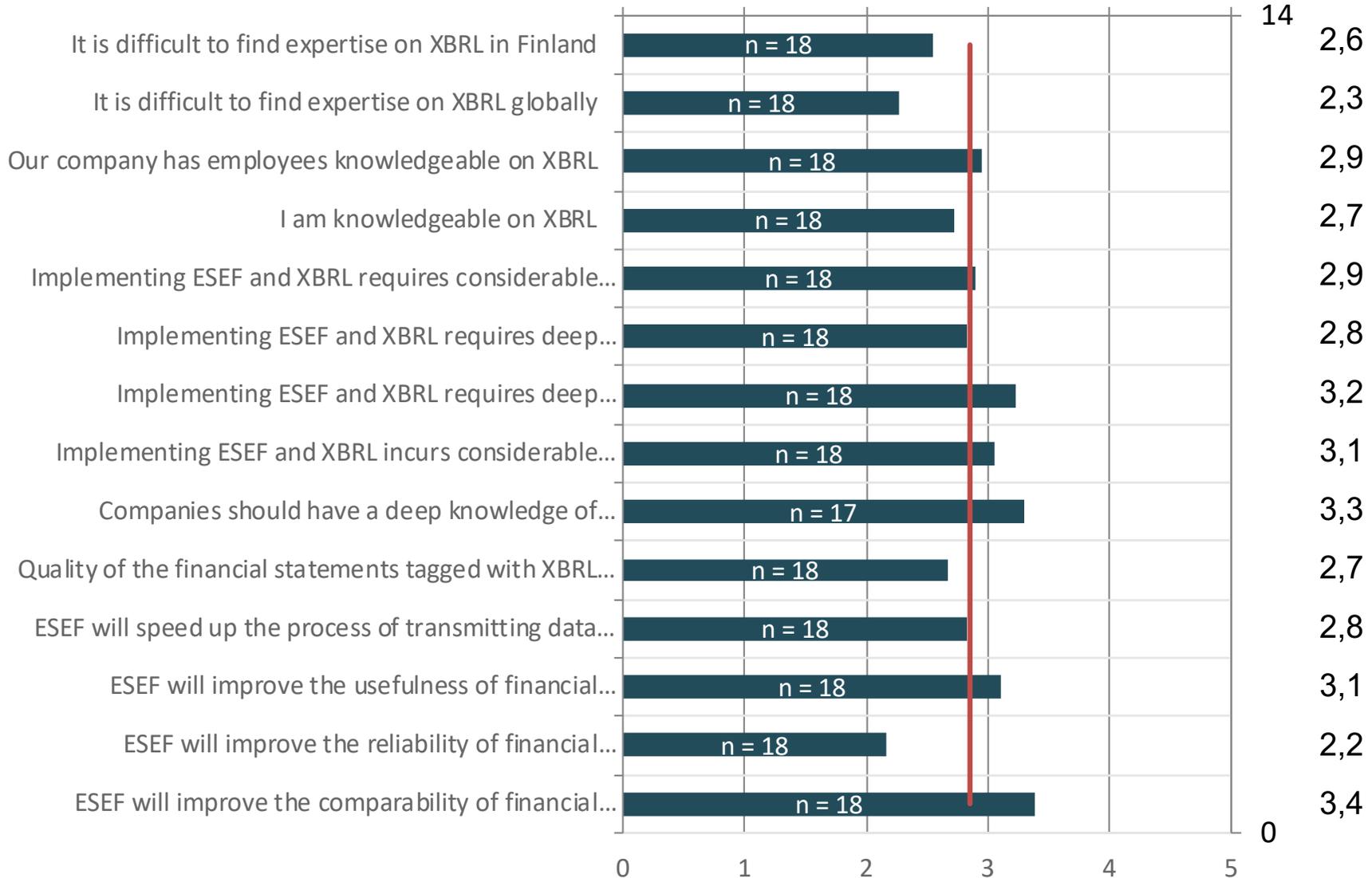


**6. Please indicate on a scale (1 = do not agree ... 5 = agree), your opinion on the following statements regarding ESEF and XBRL**

Number of respondents: 18

**2020**

Keski arvo



# Observations

- Encouraging news for XBRL
  - Respondents find that it is less difficult to find expertise on XBRL in Finland in 2020 (2,6) compared to 2019 (3,3), issuers have employees knowledgeable on XBRL (2,1 -> 2,9) and fewer respondents feel that implementing XBRL incurs considerable costs (3,4 -> 3,1)
  - In 2020, no issuer is unaware of ESMA's reporting requirement (5% in 2019)
- Alarming to note that 17% of issuers have not yet started their project
- Regarding deployment model
  - Many issuers have chosen their deployment model (44%) and thus the slice of undecided responses has decreased dramatically (e.g., undecided responses to the question of in-house vs. outsourcing have dropped from 11 -> 2)
  - Issuers plan to rely on outsourcing but do tagging by themselves
  - Intentions to use existing reporting system (majority in 2019) have shifted towards using an external "bolt-on" system (majority in 2020)
- Voluntarily extending XBRL reporting
  - Thirty-three percent of issuers are willing to extend reporting to quarterly and half-year reports
  - Issuers are not willing to pursue other voluntary extensions, although there are quite a few issuers that have responded "undecided"