ESEF, current status update from the NBA

Enrico Evink

Agenda

1. ESEF tagging
2. For which entities does it apply
3. ESEF & the Auditor
4. A more practical point of view
5. Q&A

Enrico Evink
Board Member XBRL Netherlands,
Associate Partner EY Accountants LLP

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ESEF tagging

ESEF Tagging
Company specific elements & *anchoring*

CONSOLIDATED BALANCE SHEET

Assets	Notes	December 31, 2016
In € millions		
Goodwill	17	218
Intangible assets	18	1,066
Flight equipment	20	9,119
Other property, plant and equipment	20	1,480

Flight equipment

Property, plant and equipment
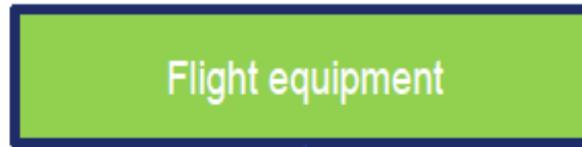
Element to be anchored to the closest element in the IFRS Taxonomy which has the closest wider accounting meaning
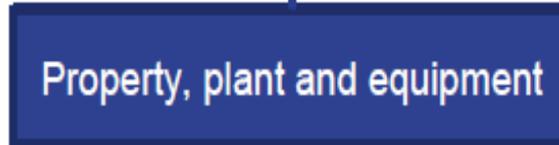
■ Extension elements

■ Elements contained in the IFRS Taxonomy

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Updated ESEF-RTS

ESMA Published the ESEF-RTS for 2021 financial statements

▸ Not yet endorsed by European commission

▸ Contains IFRS taxonomy (March 2020)

▸ Early adoption is allowed (after endorsing),

▸ Every year all base labels are translated in all European Languages

Options for the 2020 financial statements

▸ ESEF Core Taxonomy of 2019; or

▸ ESEF Core taxonomy 2020

Mandatory elements of the core taxonomy to be marked up for financial years beginning on or after 1 January 2020

Label	Data type and other attributes	References to IFRSs
Name of reporting entity or other means of identification	text	IAS 1 51 a
Explanation of change in name of reporting entity or other means of identification from end of preceding reporting period	text	IAS 1 51 a
Domicile of entity	text	IAS 1 138 a
Legal form of entity		
Country of incorporation		
Address of entity's registered office		
Principal place of business		
Description of nature of entity's operations and		
Name of parent entity		
Name of ultimate parent of group		

Document 32019R0815

? | 🖨 | ◁ Share

⌄ Expand all   ⌃ Collapse all

⌄ Title and reference

Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (Text with EEA relevance)

OJ L 143, 29.5.2019, p. 1–792 (BG, ES, CS, DA, DE, ET, EL, EN, FR, HR, IT, LV, LT, HU, MT, NL, PL, PT, RO, SK, SL, FI, SV)

🟢 In force: This act has been changed. Current consolidated version: 01/01/2020

ELI: http://data.europa.eu/eli/reg_del/2019/815/oj

⌄ Languages, formats and link to OJ

	BG	ES	CS	DA	DE	ET	EL	EN	FR	GA	HR	IT	LV	LT	HU	MT	NL	PL	PT	RO	SK	SL	FI	SV
HTML																								
PDF																								
Official Journal																								

Schema van de basistaxonomie

Tabel

Schema van de basistaxonomie voor de markering van geconsolideerde IFRS-jaarrekeningen

Prefix	Elementnaam/rol URI	Elementtype en attributen	Label	Documentatielabel	Referenties
ifrs-full	AbnormallyLargeChangesInAssetPricesOrForeignExchangeRatesMember	member	Abnormaal grote veranderingen in de prijzen van activa of wisselkoersen [member]	Dit lid staat voor abnormaal grote veranderingen in de prijzen van activa of wisselkoersen.	voorbeeld: IAS 10 22 g
ifrs-full	AccountingEstimatesAxis	axis	Schattingen [axis]	De as van een tabel definieert de relatie tussen de domeinleden of categorieën in de tabel en de posten of concepten die de tabel vervolledigen.	informatieverschaffing: IAS 8 39

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For which Entities does ESEF Apply?

For which entities does ESEF apply?

- ➤ All entities that are listed entities under the transparency directive (WFT)

  - ➤ Listed Shares

  - ➤ Listed Bonds, (except over threshold and ICBEs)

  - ➤ Foreign companies (with NL as home state)

- ➤ Simplified: companies that are currently filing at the AFM (which subsequently sends the filing to the chamber of commerce).

- ➤ Possible filings in other EU country if other 'home member state' is chosen

- ➤ Regardless if there is a consolidated financial statement, the ESEF requirements apply. However, if no consolidation than the tagging is not required.

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ESEF & the Auditor

Polling question (2)

Have you already discussed ESEF-financial statements and audit implications with your issuer client / auditor?

A. I've not yet discussed this with my client / Auditor

B. We had our first (general) meeting

C. The draft tagging was already shared between us and agreed upon

D. The dummy financial statement (in ESEF) was shared between us and agreed upon

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ESEF and the Auditor
Communication from the Commission (1)

EUROPEAN COMMISSION

Brussels, 6.11.2020
C(2020) 7535 final

COMMUNICATION FROM THE COMMISSION
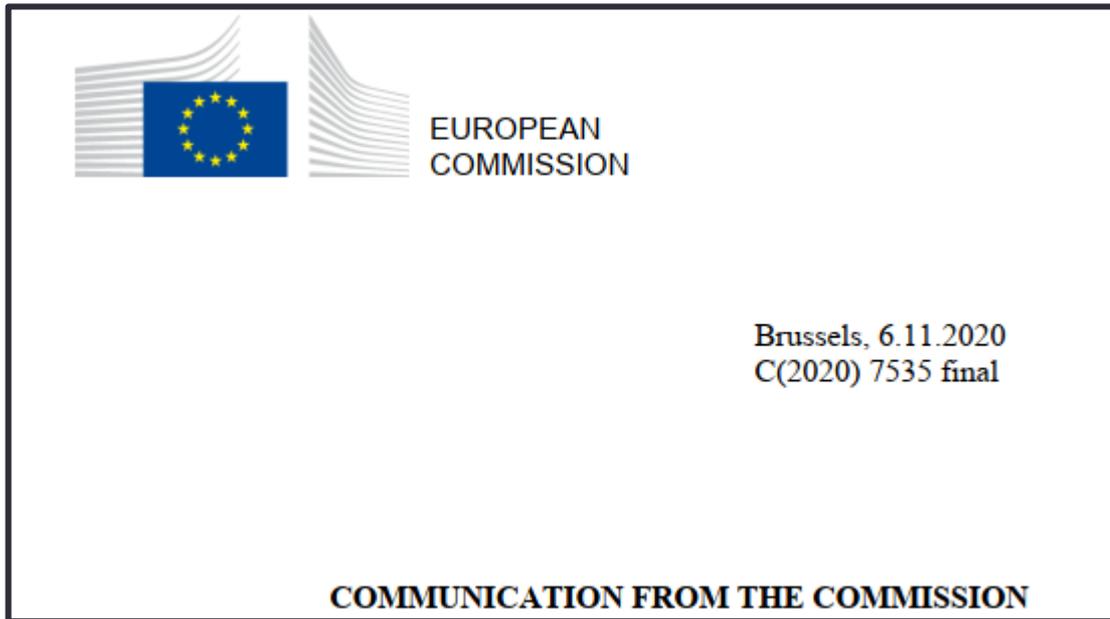
2. **CLARIFICATIONS ON EXISTING UNION PROVISIONS CONCERNING AUDIT**

2.1. **Are statutory auditors required to provide an audit opinion on whether the financial statements included in the annual financial reports comply with the relevant statutory requirements laid down in the ESEF Regulation?**

Union law requires statutory auditors[11] to provide an audit opinion on whether the financial statements included in the annual financial reports comply with the relevant statutory requirements laid down in the ESEF Regulation, i.e. with the provisions of the ESEF Regulation that apply to financial statements.

Source: https://ec.europa.eu/finance/docs/law/201106-communication-esef_en.pdf

In addition to the earlier published FAQ 7 & 8 from the European Commission they now have clearly indicated that based on the legal analysis the auditor is required to provide an audit opinion on the compliance with ESEF:

Statutory auditors are therefore required to check the compliance of the financial statements with any applicable statutory requirement,….., and to provide an audit opinion on whether the financial statements comply with these requirements.

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2.2. Which statutory requirements laid down in the ESEF Regulation should statutory auditors check compliance with in order to provide their audit opinion?

In order to provide an audit opinion on whether the financial statements comply with the "relevant statutory requirements" laid down therein, statutory auditors shall check the compliance of the issuers' financial statements with the provisions of the ESEF Regulation that are applicable to the financial statements[23]. The "relevant statutory requirements" are the following:

i) All the financial statements that are included in the annual financial report shall be prepared in a valid XHTML format[24];

ii) For all consolidated financial statements that are drawn-up in accordance with IFRS as endorsed by the EU or with IFRS as adopted by the IASB[25];

- The disclosures specified in Annex II of the ESEF Regulation shall be marked-up, where those disclosures are present in those consolidated financial statements;
- All mark-ups, including the voluntary mark-ups of disclosures other than those specified in Annex II, shall meet the following requirements:
  - the XBRL mark-up language shall be used;
  - the elements of the core taxonomy specified in Annex VI of the ESEF Regulation with the closest accounting meaning shall be used, unless an extension taxonomy element is created in compliance with Annex IV of the ESEF Regulation;
  - the mark-ups shall comply with the common rules on mark-ups[26].

iii) For financial statements other than the IFRS consolidated financial statements[27]:

- All mark-ups included by the issuer on a voluntary basis or in compliance with national law shall meet the following requirements:
  - the XBRL mark-up language shall be used;
  - a specific taxonomy provided by the Member State in which the issuer is incorporated shall be used;
  - the mark-ups shall comply with the common rules on mark-ups[28].

Source: https://ec.europa.eu/finance/docs/law/201106-communication-esef_en.pdf

The EC also covered what aspect should be checked by the auditor in question 2.2 of the same document in short summary:

- The financial statements need to be drafted in the XHTML format

- For all IFRS consolidated financial statements the Mark-up (tagging) is done for the mandatory elements, and the consolidated primary statements (2020)

- For "other" financials statements, Mark-up voluntary allowed <u>if</u> based on a taxonomy from a member state.

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2.3. Shall the audit opinion on whether the financial statements comply with the relevant statutory requirements laid down in the ESEF Regulation be included in the audit report or in a separate report?

The audit opinion on whether the financial statements comply with the relevant statutory requirements laid down in the ESEF Regulation shall be included in the audit report.

Under Article 28 of the Audit Directive, statutory auditors shall present the results of their audit in an audit report. Article 28(2)(c)(ii) specifies that the audit report shall include an audit opinion on whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework, as well as an opinion on whether the financial statements comply with the applicable "*statutory requirements*". In this case, the "statutory requirements" correspond to the "relevant statutory requirements" laid down in the ESEF Regulation (see reply to Question no. 2.2).

2.4. Shall the audit report be included in the ESEF-compliant annual financial report or in a separate document disclosed together with the ESEF-compliant annual financial report?

Existing Union law does not specify whether the audit report should be included in the annual financial report or disclosed together with the annual financial report as a separate document.

Under Article 4(4) of the Transparency Directive, the audit report "*shall be disclosed in full to the public together with the annual financial report*". In the absence of specific rules in force at national/regulated market level, and taking into consideration the technical possibilities on a case-by-case basis, issuers may apply their preferred option.

For the auditors opinion the EC is clear and indicates that it needs to be included in the Audit Report and not a separate report, as ESEF is part of the 'statutory requirements'

How to attach the Audit Report to the Financial Statements is not determined based on EU law, but they need to be disclosed in full together.

These requirements also apply to third Country auditors (Q 2.5)

Source: https://ec.europa.eu/finance/docs/law/201106-communication-esef_en.pdf

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3.1. **Shall issuers and/or statutory auditors use an electronic signature ("e-signature") for signing the annual financial reports and/or the documents included therein and/or the audit reports, respectively?**

Existing Union law does not prevent issuers or statutory auditors from using an e-signature for signing the annual financial reports, documents included therein or the audit reports respectively. In the absence of specific rules in force at national/regulated market level, issuers and/or statutory auditors may apply their preferred option including a handwritten or an e-signature.

While Article 4(4) of the Transparency Directive explicitly requires issuers to disclose an audit report that is signed by the auditors responsible for auditing the financial statements[30], there is no explicit requirement at Union level as regards whether and how to sign the annual financial reports or documents included therein. However, requirements applying to signatures might be set out in national legislation.

In any case, in line with Article 25(2) of Regulation (EU) No 910/2014 (e-IDAS Regulation)[31] – which specifies that *"a qualified electronic signature shall have the equivalent legal effect of a handwritten signature"* – the use of a qualified e-signature for signing these reports shall be considered as fulfilling any signature obligation.

4.1. **Is the administrative, management or supervisory body of the issuer responsible for the compliance of the annual financial reports with the requirements of the ESEF regulation?**

The issuer's administrative, management or supervisory body is responsible for drawing-up and disclosing the annual financial reports in compliance with the ESEF Regulation.

Pursuant to Article 7 of the Transparency Directive, the responsibility for the information to be drawn-up and made public in accordance with – inter alia – Article 4 of the Transparency Directive *"lies at least with the issuer or its administrative, management or supervisory bodies"*. Article 4(7) of the Transparency Directive requires that annual financial reports are prepared and disclosed in compliance with the ESEF Regulation.

For signing the financial statements both the auditor and the issuers can use electronic signatures but this is not required (and probably not possible for 2020)

The signature needs to adhere to the EU standard (the '*beroepscerficaat'* currently used for SBR assurance complies with this standard)

The EC also confirmed that the management / supervisory body of the issuer is responsible for the ESEF compliance.

Any other form of f.s. can be disclosed on the website but <u>must</u> be clearly marked as 'non official' version and these do not fulfill the Transparency directive requirements. (Q4.3)

Source: https://ec.europa.eu/finance/docs/law/201106-communication-esef_en.pdf

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ESEF and the auditor
Possible voluntary delay (member state option)

European commission issued a proposal for regulation in relation to COVID19 that include a 'member state option' to allow for a voluntary delay of the ESEF application.

For financial years beginning on or after 1 January 2020, all annual financial reports shall be prepared in a single electronic reporting format provided that a cost-benefit analysis has been undertaken by the European Supervisory Authority (European Securities and Markets Authority) (ESMA) established by Regulation (EU) No 1095/2010 of the European Parliament and of the Council(9). However, Member States may allow issuers to apply this requirement for financial years beginning on or after 1 January 2021. Member States shall notify the Commission of their intention to allow such delay by [DD-MM-YYYY]."

ESEF and the auditor
NBA Workgroup

From the NBA a Workgroup was formed to deal with the auditors implications both from how to audit, materiality as well as what the opinion should look like

▸ *Representatives from the six OOB audit firms and the NBA*

▸ *Audit implications*

▸ *Linking to the implementations in other EU countries*

Output:

▸ *practical guidance*

▸ *Information for software developers*

▸ *Audit Alert (timing TBD)*

▸ *Example auditor's opinion*

ESEF and the Auditor
Preview: *NBA audit alert-*

The NBA will issue a specific alert on the ESEF-RTS work from an auditor perspective. Currently this alert is planned to be published before the end of this month

This audit alert will cover the following aspects

- Work to be performed

- Executing an ESEF audit

- Materiality considerations for omissions

- Reporting requirements

- Identification and signing

Source: https://www.NBA.nl

For the work to be performed we consider the following aspects:

Technical aspects of the 'build' taxonomy	*Technical aspects of the Annual Report*
Audit of ESEF	
Accuracy of the tagging / anchoring	*Completeness of the tagging of information*

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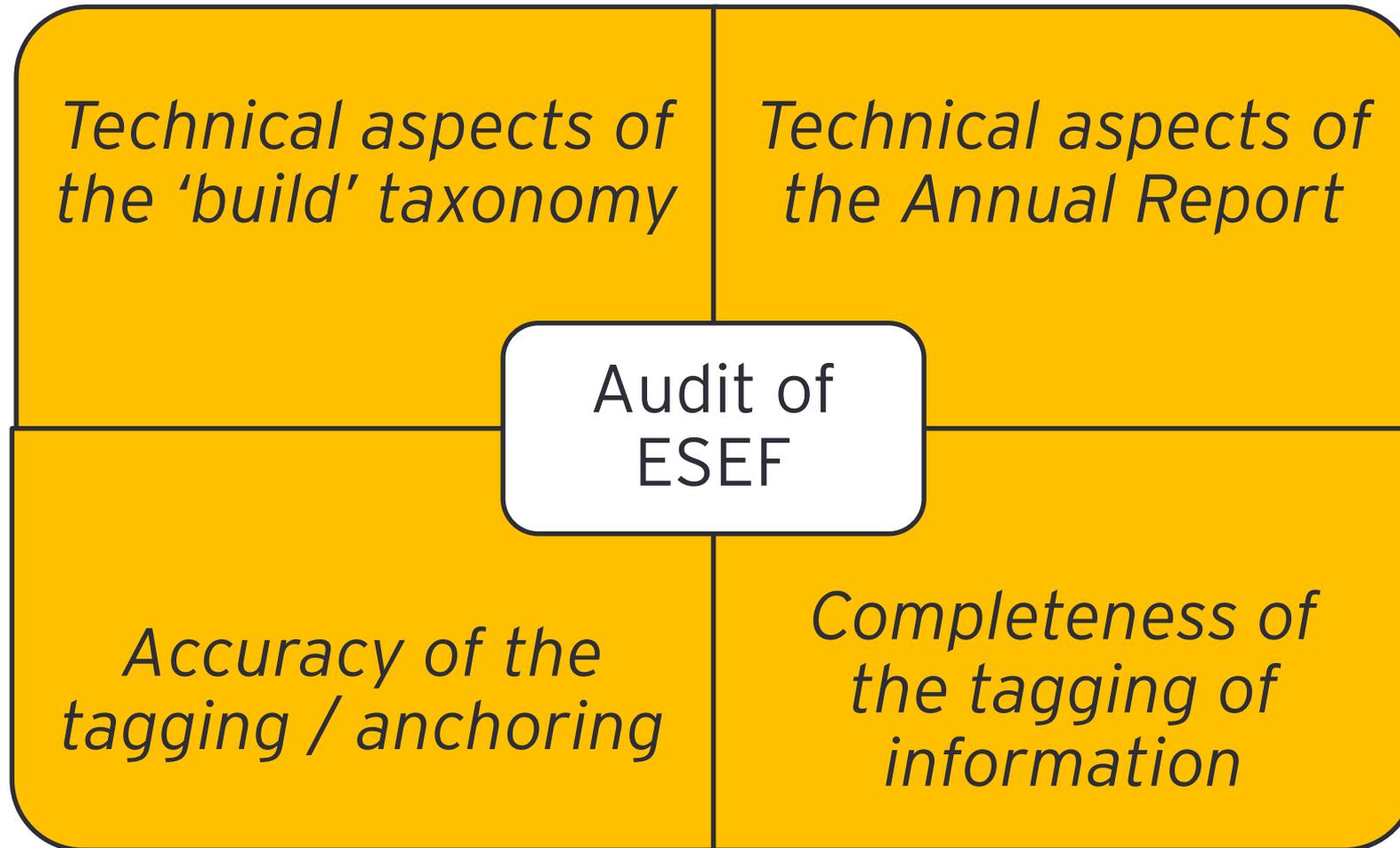
ESEF and the Auditor
Preview: *NBA audit alert-* Executing an ESEF audit

While preparing for executing an ESEF audit the auditor follow's the regular auditing process steps of:

Acceptance

Planning

Identify and assess risks

Response to the assessed risks

Concluding

Representation & reporting

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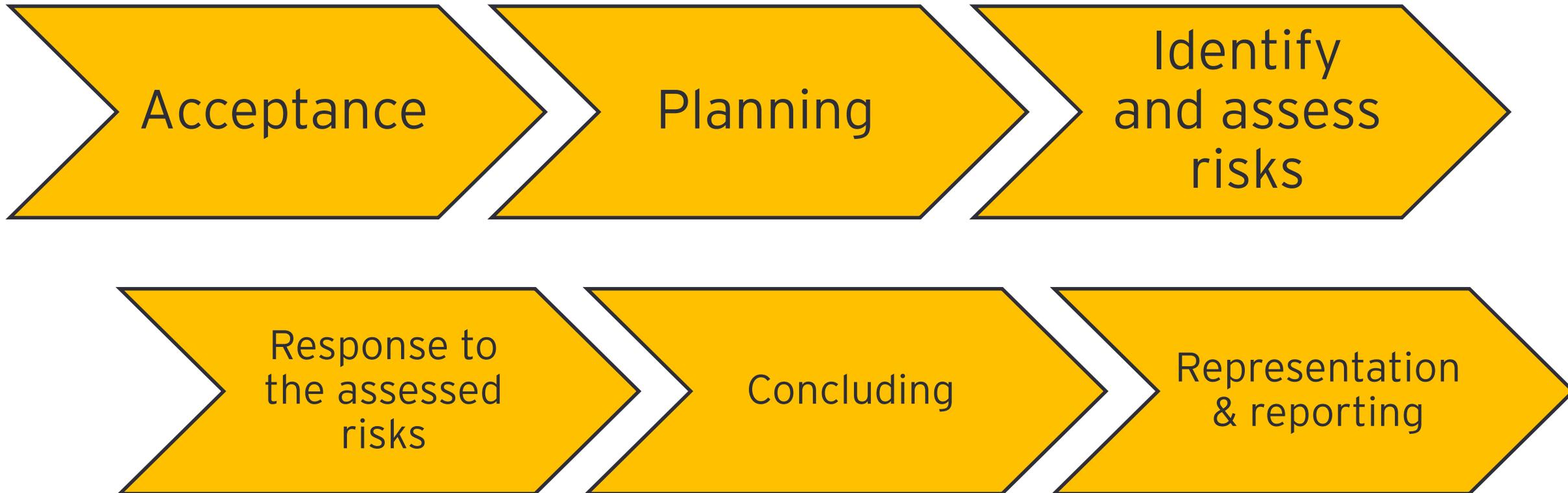
Quantitative and qualitative implications of any audit difference

After having concluded the (ESEF) materiality consideration for the identified audit difference the auditor formulates their opinion on the ESEF compliance as part of the audit report:

A. Verklaring over de in het jaarverslag opgenomen jaarrekening JJJJ

Ons oordeel

Wij hebben de jaarrekening JJJJ (of voor een gebroken boekjaar: voor het jaar geëindigd op 30 juni JJJJ) van ... (naam entiteit(en)) te ... ((statutaire) vestigingsplaats) gecontroleerd.

Naar ons oordeel:

- *geeft de in dit jaarverslag opgenomen jaarrekening een getrouw beeld van de grootte en de samenstelling van het vermogen van ... (naam entiteit(en)) per 31 december JJJJ (of bij een gebroken boekjaar: 30 juni JJJJ) en van het resultaat en de kasstromen over JJJJ in overeenstemming met International Financial Reporting Standards zoals aanvaard binnen de Europese Unie (EU-IFRS) en met Titel 9 Boek 2 BW .*
- *voldoet de jaarrekening in alle van materieel belang zijnde aspecten aan vereisten op grond van de Gedelegeerde Verordening tot aanvulling van Richtlijn 2004/109/EG van het Europees Parlement en de Raad met technische reguleringsnormen voor de specificatie van een uniform elektronisch verslagleggingsformaat (ESEF-RTS vereisten).*

(…)

B. Verklaring over de in het jaarverslag opgenomen andere informatie

(…)

Op grond van onderstaande werkzaamheden zijn wij van mening dat de andere informatie:
- *met de jaarrekening verenigbaar is en geen materiële afwijkingen bevat;*
- *alle informatie bevat die op grond van Titel 9 Boek 2 BW is vereist en voldoet aan de ESEF-RTS vereisten.*

Wij hebben de andere informatie gelezen en hebben op basis van onze kennis en ons begrip, verkregen vanuit de jaarrekeningcontrole of anderszins, overwogen of de andere informatie materiële afwijkingen bevat. Wij hebben vastgesteld dat het jaarverslag is opgesteld in overeenstemming met de ESEF-RTS vereisten.

Met onze werkzaamheden hebben wij voldaan aan de vereisten in Titel 9 Boek 2 BW en de Nederlandse Standaard 720. Deze werkzaamheden hebben niet dezelfde diepgang als onze controlewerkzaamheden bij de jaarrekening.

Het bestuur is verantwoordelijk voor het opstellen van de andere informatie, waaronder het bestuursverslag en de overige gegevens in overeenstemming met Titel 9 Boek 2 BW en de ESEF-RTS vereisten.

D. Beschrijving van verantwoordelijkheden met betrekking tot de jaarrekening

Verantwoordelijkheden van het bestuur en de raad van commissarissen voor de jaarrekening

Het bestuur is verantwoordelijk voor het opmaken en getrouw weergeven van de jaarrekening in overeenstemming met EU-IFRS en met Titel 9 Boek 2 BW. Verder is het bestuur verantwoordelijk voor het opmaken van de jaarrekening in overeenstemming met de ESEF-RTS vereisten. In dit kader is het bestuur verantwoordelijk voor een zodanige interne beheersing die het bestuur noodzakelijk acht om het opmaken van de jaarrekening mogelijk te maken zonder afwijkingen van materieel belang als gevolg van fouten of fraude.

(…)

Onze verantwoordelijkheden voor de controle van de jaarrekening

(…)

Onze controle bestond onder andere uit:
- *het identificeren en inschatten van de risico's dat de jaarrekening*
  - *afwijkingen van materieel belang bevat als gevolg van fouten of fraude,*
  - *niet voldoet aan de ESEF-RTS vereisten,*
  het in reactie op deze risico's bepalen en uitvoeren van controlewerkzaamheden en het verkrijgen van controle-informatie die voldoende en geschikt is als basis voor ons oordeel. Bij fraude is het risico dat een afwijking van materieel belang niet ontdekt wordt groter dan bij fouten. Bij fraude kan sprake zijn van samenspanning, valsheid in geschrifte, het opzettelijk nalaten transacties vast te leggen, het opzettelijk verkeerd voorstellen van zaken of het doorbreken van de interne beheersing;
- *(…)*
- *het in aanvulling op onze controle van de (voor mensen leesbare laag van) de jaarrekening, vaststellen dat de jaarrekening is opgemaakt [en gemarkeerd] in overeenstemming met de ESEF-RTS vereisten.*

Source: https://www.NBA.nl

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After having concluded the (ESEF) materiality consideration for the identified audit difference the auditor formulates their opinion on the ESEF compliance in a separate section of the audit report:

Verklaring betreffende overige door wet- of regelgeving gestelde vereisten

Op grond van de GEDELEGEERDE VERORDENING (EU) 2018/815 VAN DE COMMISSIE van 17 december 2018 tot aanvulling van Richtlijn 2004/109/EG van het Europees Parlement en de Raad met technische reguleringsnormen voor de specificatie van een uniform elektronisch verslagleggingsformaat moet het jaarverslag van <<XYZ>> opgesteld worden in ESEF. De wettelijke vereisten waaraan dit moet voldoen zijn vastgelegd in de genoemde gedelegeerde verordening (hierna: RTS voor ESEF).

Naar ons oordeel is de jaarverslag zoals door <<XYZ>> opgenomen in de rapportageset op alle van materieel belang zijnde aspecten opgesteld in overeenstemming met de RTS voor ESEF.

Het bestuur is verantwoordelijk voor het opstellen van het jaarverslag inclusief de jaarrekening in een overeenstemming met de RTS voor ESEF op te stellen en te deponeren in een rapportageset. Het is onze verantwoordelijkheid een redelijke mate van zekerheid voor ons oordeel te krijgen dat het jaarverslag in deze rapportageset in overeenstemming is met de vereisten.

Onze werkzaamheden bestonden uit:

- Het verkrijgen van inzicht in het financiële rapportageproces van de entiteit, waaronder het opstellen van de rapportageset;
- Het verkrijgen van de rapportageset en het uitvoeren van validaties om vast te stellen of de rapportageset met de daarin opgenomen Inline XBRL-instancedocument en de XBRL-extensie taxonomiebestanden in overeenstemming met de technische specificaties zijn opgesteld;
- Het onderzoeken van de informatie met betrekking tot de geconsolideerde jaarrekening in de rapportageset om vast te stellen of alle vereiste taggings zijn toegepast en of deze in overeenstemming zijn met de RTS voor ESEF

In order to identify the ESEF financial statements that correspond with the auditor's report the NBA Suggests the following approach:

- Calculates a hash total over the financial statements (zip), note that this is technically done over the individual files and not the zip as a whole. A generator will be available on the NBA site to validate.

Through the permission letter the auditor authorizes the issuer to include in their ESEF financial statements the text of the auditor's opinion, as included in the permission letter.

The signing can be done electronically (PDF) or physically.

Source: https://www.NBA.nl

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A more practical point of view

A more practical point of view:
how to audit: Consistent Transformation

Taxonomy package

- XHTML file
- Entry point schema
- Presentation linkbase
- Calculation linkbase
- Label linkbase
- Definition linkbase
- taxonomypackage.xml
- catalog.xml

Extration with transformation rules

Instance(.xbrl)

Discovery extension taxonomy

Discovered extension taxonomy

Process instance with taxonomy

Presentation overview

Calculation overview

Definition overview

Compare   XHTML view

Automated controls

Exception reports

Overall a split between the technical aspects (automated control) and more judgmental aspects (manual control by auditor).

Technical worksteps to be performed by the auditor

ID	Object	Requirement/objective	Class.	RTS	CO[1]
1a	Reporting Package	Workable / correct structure.	A / C	Annex III - 3	T
1b	taxonomyPackage.xml	Contains prescribed elements (OAM guideline).	B		
1c	taxonomyPackage.xml	Contains correct values.	B	Annex III - 3	A/F
1d	catalog.xml	Contains correct values.	B	Annex III - 3	T
1e	Reporting Package	Contains XHTML document.	A	Annex III - 3	T
1f	Reporting Package	Contains correct linkbases (pre, cal, def and lab).	A	Annex III - 3	T
1g	Reporting Package	Contains entry point schema.	A	Annex III - 3	T
2a	Linkbases	In accordance with specifications (XBRL).	B	Annex III - 2	T
2b	Presentation linkbase	Presence of mandatory root taxonomy elements (abstracts).	C1	Anne IV - 7	T/(A)
2c	Presentation linkbase	Structure is semantic	C1	Annex IV - 5	A/CF
2d	Label linkbase	Core element labels have not been replaced.	C1	Annex IV - 8	T/(A)
2e	Reference linkbase	References of core elements have not been adjusted.	C1	Annex IV - 8	T/(A)
2f	Calculation linkbase	Structure / content is semantic.	C1	Annex IV - 6	A/C
2g	Definition linkbase	Structure / content is semantic.	C1	Annex IV - 5	A/C
3a	Entry point schema	In accordance with specifications (XBRL).	B	Annex III - 2	T
3b	Entry point schema	Structure / content is semantic.	C1	Annex III - 2	T
3c	Entry point schema	Extension elements are provided with a correct data type and period type.	C1	Annex IV - 11	A
4a	XHTML document	True and fair view in accordance with relevant accounting standards.	N / A		
4b	XHTML document	In accordance with specifications (XBRL).	B	Annex III - 1	T
4c	XHTML document	Contains data from one reporting entity.	C1	Annex IV - 1	T
4d	XHTML document	Reporting entity is identified based on correct LEI (ISO 17442)	C1	Annex IV - 2	T/A
4e	XHTML document	For tagged data, a concept has been chosen that is closest in meaning / purpose	C1	Annex IV - 3	A

ID	Object	Requirement/objective	Class.	RTS	CO[1]
4f	XHTML document	All relevant data in the primary financial statements must be tagged with the appropriate currency.	C1	Annex II - 1	A
4g	XHTML document	The elements included in appendix II of RTS are tagged and provided with correct data.	C1	Annex II - 2 Annex II - 3	A/C
4h	XHTML document	If there is no concept available for data that matches the meaning / purpose, an extension element must be defined.	C1	Annex IV - 4	A/C
4i	XHTML document	Extension elements meet specific requirements: a. No duplicates (with existing ESMA elements)	C1	Annex IV - 4a	A
		b. Must identify the reporting entity (own prefix)		Annex IV - 4b	A
		c. Correctly included in entry point scheme (balance attribute)		Annex IV - 4c	A
		d. Must contain labels in the language of the report and match the meaning / purpose of the data.		Annex IV - 4d	A/C
4j	XHTML document	Anchoring for extension elements is correct. (wider-narrower versus narrower-wider)	C1	Annex IV - 9 Annex IV - 10	A/C
4k	XHTML document	Different values may not be tagged with the same concept / context relationship	C1	Annex IV - 12	A
4l	XHTML document	Disclosures and policies should not be partially or selectively tagged.	C1	Annex IV - 13	A/C
4m	XHTML document	Must not contain executable code.	A	Annex IV - 14	T

Legenda:

Green: automated

Yellow: Current audit objective

Blue: Manual

CO stands for control objective: T=Technique, A= Accuracy and C=Completeness

Source: NBA Draft Technical working program on ESEF

NBA

Audit work in relation to Errors & Warnings from the technical validations

In case of an technical error (meaning the file can not be processed):
- *If already indicated by the used software, illustrate what caused the 'failure'*
- *Take into account the AFM policies for processing*
- *Overall if it can not be processed or can not be filled it needs to be corrected.*
- *For example*
  - *'No XHTML document found' or 'Zip could not be opened'*

In case of technical warnings:
- *readability of the file; and*
- *the filling requirements for processing by the AFM*
- *For example :*
  - *[ESEF.3.1.5.extensionTaxonomyDocumentNameDoesNotFollowNamingConvention] Extension taxonomy document file name SHOULD match the {base}-{date}_{suffix}.{extension} pattern: gleif-19ar_pre.xml. - gleif-19ar.xhtml*

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Viewing the 'tagged' financial statements and compare with the XHTML

Example of how the auditor can visually review Anchoring

In the first case there is a Wider IFRS label to which the company specifc label is linked.

In the second case there is two concepts in the IFRS taxonomy that are combined into one 'wider' company specific label.

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Practical cases: Closest Accounting meaning for the tag?

description	qname	2019-01-01 / 2019-12-31	2018-01-01 / 2018-12-31
● Statement of comprehensive income [abstract]	**ifrs-full:StatementOfComprehensiveIncomeAbstract**		
● Profit (loss) [abstract]	**ifrs-full:ProfitLossAbstract**		
● Licence fee income	ifrs-full:LicenceFeeIncome	$ 14,516,715 decimals = 0	$ 17,555,899 decimals = 0
● Wages and salaries	ifrs-full:WagesAndSalaries	$ 4,616,880 decimals = 0	$ 4,288,884 decimals = 0
⊖ Social contributions and expenses for pensions and care	gleif:SocialContributionsAndExpensesForPensionsAndCare	$ 543,684 decimals = 0	$ 618,341 decimals = 0

Statement of Comprehensive Income

for the Period from January 1 to December 31, 2019

	Notes	Jan. to Dec. 2019	Jan. to Dec. 2018
		US$	US$
Fee revenue	3.1	14,516,715	17,555,899
Wages and salaries		-4,616,880	-4,288,884
Social contributions and expenses for pensions and care		-543,684	-618,341
Personnel expenses	3.2	-5,160,564	-4,907,225

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Practical cases: mismatch in the "Principle place of business"

description	2019-01-01 / 2019-12-31
⊖ Notes, accounting policies and mandatory tags – this item MUST be used as a starting point for markups of disclosures in the notes to the financial statements	
⊖ Name of reporting entity or other means of identification	Global Legal Entity Identifier Foundation
⊖ Address of entity's registered office	St. Alban-Vorstadt 5, 4002 Basel, Switzerland
⊖ Domicile of entity	Basel-Stadt, Switzerland
⊖ Country of incorporation	Switzerland
⊖ **Principal place of business**	**Switzerland**
⊖ Description of nature of entity's operations and principal activities	Established by the Financial Stability Board (FSB) in June 2014, the Global Legal Entity Identifier Foundation (GLEIF) is a not-for-profit organization created to support the implementation and use of the Legal Entity Identifier (LEI). GLEIF is headquartered in Basel, Switzerland.
⊖ Legal form of entity	foundation

ixbrl-fact-concept-name
ifrs-full:PrincipalPlaceOfBusiness

ixbrl-fact-value
Switzerland

ixbrl-fact-period
2019-01-01 to 2019-12-31

ixbrl-fact-units
-

ixbrl-fact-entity
506700GE1G29325QX363

ixbrl-fact-dimensions

1. Information on GLEIF

The accompanying financial statements present the operations of Global Legal Entity Identifier Foundation with its registered office in Basel, Switzerland (hereinafter: "GLEIF" or "the Foundation").

GLEIF is a foundation according to Swiss civil law and registered under no. CHE-200.595.965 in the commercial register of Basel-Stadt, Switzerland. The address of the Foundation is St. Alban-Vorstadt 5, 4002 Basel, Switzerland. In February 2015, GLEIF began operating a permanent establishment in Frankfurt am Main, Germany, where the main operating activities of the Foundation are located.

GLEIF was founded on June 26, 2014, by the Financial Stability Board, an association under Swiss law. The purpose of GLEIF is to establish, maintain, and monitor the Global Legal Entity Identifier System ("Global LEI System"), which provides a worldwide unique identification number (the "LEI") for all parties of financial transactions.

Practical cases: *Extension element needed or not needed?*

ifrs-full	BankOverdraftsClassified-AsCashEquivalents	X instant credit	Bank overdrafts	The amount that has been withdrawn from an account in excess of existing cash balances. This is considered a short-term extension of credit by the bank. [Refer: Cash and cash equivalents]	common practice: IAS 7 45

ifrs-full	BankOverdraftsClassifie-dAsCashEquivalents	X instant credit	Voorschotten in rekening-courant	Het bedrag dat is opgenomen van een rekening en dat bestaande rekeningsaldi overschrijdt. Dit wordt beschouwd als een kortetermijnkredietverlening door de bank. [Zie: geldmiddelen en kasequivalenten]	gebruikelijke werkwijze: IAS 7 45

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Recap

Key takeaway Issuers

Start discussion between the issuers and the auditors on a timely basis to 'dry run' both the conversion to XHTML as well as the audit. Understand that the XHTML need to be ready before signing the Auditor's opinion

Key takeaway Ministry of Finance / AFM

Once decided please inform the sector as a whole about a possible voluntary ESEF filing in 2020.

Complete the legislation update for ESEF to avoid any misunderstandings.

Key takeaways auditors

Stay up to date with the current updates, and stay tuned for further guidance and information from the NBA

Agree on a timing of the work on the ESEF-financial statements

Enrico Evink

Board Member XBRL Netherlands,
Associate Partner EY Accountants LLP

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Q&A

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