



Deep dive into ESEF workshop

@ From bookkeeping to automated reporting – XBRL in the Nordics 5.12.2023

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2021-	Founder Xtelligent Data, Consultant
2019-2020	KPMG Denmark, Consultant
2016-2019	Danish Business Authority, Data Scientist
2010-2015	Danish Business Authority, Annuals reports XBRL
2003-2009	Danish Business Authority, IT consultant
1996-2002	Economy Agency of Denmark



Agenda

- What automated validations of ESEF fillings can we expect related to ESEF+ESAP?
- Reporting package: Purmo Group Oyj
- Reporting package: Fellow Pankki Oyj

What automated validation of ESEF fillings can we expect related to ESEF+ESAP?

The regulation

● Council of the EU Press release 27 November 2023 14:20

Council adopts regulation easing access to corporate information for investors

The EU is about to create a single point of access to public **financial and non-financial information about EU companies and EU investment products**. Today, the Council adopted a regulation creating the **European Single Access Point (ESAP)** - a platform that will make this information easier for investors to consult.



31 August 2023
ESMA32-60-254 Rev

ESEF Reporting Manual

Preparation of Annual Financial Reports in ESEF format
(Update August 2023)

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

Article 5

Tasks of the collection bodies and responsibilities of entities

1. The collection bodies shall do the following:
 - (a) collect the information submitted by entities;
 - (b) store the information submitted by entities or generated by the collection bodies themselves and, where relevant, rely on existing procedures and infrastructure in place for the storage of information;
 - (c) perform technical automated validations in respect of the information submitted by entities to verify whether the information complies with the following:
 - (i) it has been submitted using a data extractable format or, where appropriate, the machine-readable format specified in any of the Union legislative acts under Article 1(1), point (a), pursuant to which the information is submitted;
 - (ii) the metadata for the information, as specified pursuant to paragraph 10, point (e), of this Article and, where applicable, Article 3(1), point (a), is available and complete;

<https://www.consilium.europa.eu/en/press/press-releases/2023/11/27/council-adopts-regulation-easing-access-to-corporate-information-for-investors/#:~:text=The%20EU%20is%20about%20to,easier%20for%20investors%20to%20consult.>

Technical Requirements

1. Compliance with the Transparency Directive

1.1 Submission of iXBRL package (zip file)

1.2 The .xhtml file contained in the zip file contains the entire Annual Financial Report

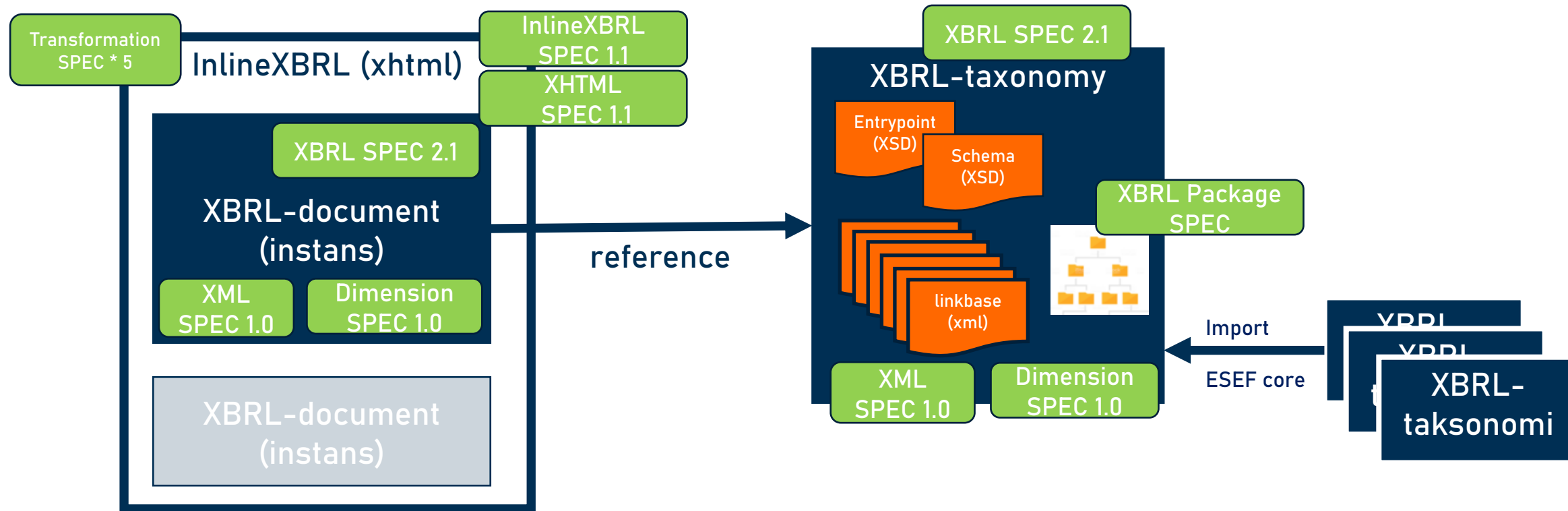
2. Compliance with the ESEF's regulatory technical standards (RTS)

2.1 Technical validation against the XBRL-specification(s)

2.2 Technical validation against the rules defined in the Formula Linkbase

2.3 Software level validation

XBRL, InlineXBRL og taxonomies

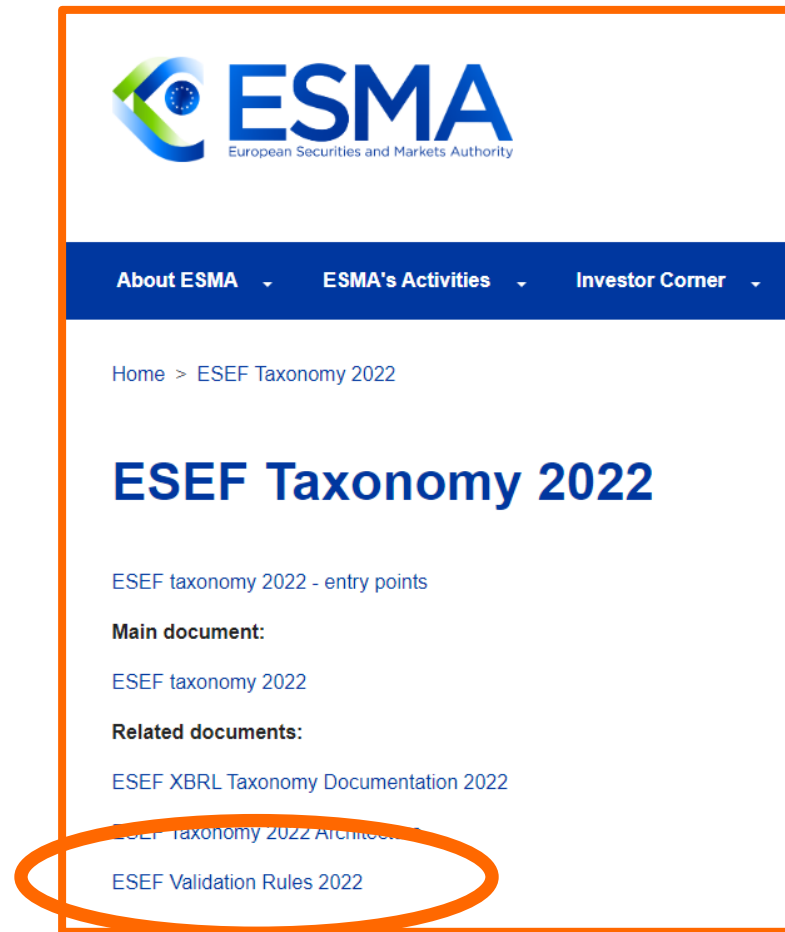


- InlineXBRL is "just" a container with a XBRL-document inside
- Machine readable
- Transformation of data

- Schemas binding linkbases and defining tags
- Linkbases with hierarchies, presentations-, calculations-, labels-, dimensions-, reference-, formulas linkbases etc.

2.2 Technical validation against the rules defined in the Formula Linkbase:

ESEF taxonomy formulas



Validation group

- Context validations
- Fact and footnote validations
- Negative fact validations
- Percentage warnings
- Positive fact validations
- Technical validations
- LEI validations
- Cross period validations
- Period adjusted axis aggregation validations
- Axis aggregation validations
- Earnings per share validations

483 validations: 475 warning + 8 errors

2.3 Software level validation:

ESEF Reporting Manual

Focus on sections:

2. Guidance for software firms to ensure technical validity
3. Technical guidance for issuers and software firms on extension taxonomies and other topics



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

2.3 Software level validation:

Samples from ESEF Reporting Manual

Guidance 2.2.1 Attributes to define the accuracy of numeric facts [last updated: July 2021]

There shall be consistent use of a single attribute describing the precision of facts, as indicated in the Working Group Note published by XBRL International²⁰. Therefore ESMA recommends software firms to include in their tools appropriate validations ensuring:

The accuracy of numeric facts MUST be defined with the 'decimals' attribute rather than the 'precision' attribute.

The following messages are recommended to be used:

Messages: "precisionAttributeUsed"

Guidance 3.2.3 Use of typed dimensions in issuers' extension taxonomies [last updated: July 2021]

As it is allowed to extend the ESEF taxonomy, ESMA does not deem that it is necessary to define typed dimensions. Therefore, ESMA recommends not defining typed dimensions in the extension taxonomy, but creating explicit elements to tag information in the annual financial report instead.

ESMA recommends that software firms include rules in their tools ensuring:

Extension taxonomy MUST NOT define typed dimensions.

In case of violation, the following messages are recommended to be used:

Violation: "typedDimensionDefinitionInExtensionTaxonomy"

Attention!

- "It's complicated"
= there is not always one truth!
- Low maturity of regulation and taxonomy
= "Your vendor is your friend"
- It's a moving target:
= "Your vendor is your friend"
- Validation can and will be repeated by the market.
= "compliance never go out of fashion"
- ESRS is still a wildcard

Taloudelliset tiedot

Purmo Group Oyj

<https://csf.omxgroup.com/cns-web/oam/viewOamDisclosure.action;jsessionid=pd6kUUcVdQ5D1vYopsdv3B-1lWPbCEI3IEiwaKJN.csf.2001?disclosureId=430305>

Annual Report 2022

Fellow Pankki Oyj

https://csf.omxgroup.com/cns-web/oam/viewOamDisclosure.action;jsessionid=_mSmhTfReNChWLRviPQ65xYiiZLq-yi-ebmxjgZs.csf.1001?disclosureId=430125

Summary



- "The devil is in the details"
- Stay close to your vendor. We still have a moving target.
- Do multi-validator test of you package setup
- ESRS could be a challenge..... (most likely)
- Questions?