



**EUROPEAN COMMISSION**

Directorate-General for Financial Stability, Financial Services and Capital Markets Union

**TARGETED CONSULTATION DOCUMENT**

**ESTABLISHMENT OF A EUROPEAN SINGLE ACCESS POINT (ESAP)  
FOR FINANCIAL AND NON-FINANCIAL INFORMATION  
PUBLICLY DISCLOSED BY COMPANIES**

First action of the capital markets union action plan

**Disclaimer**

This document is a working document of the Commission services for consultation and does not prejudice the final decision that the Commission may take.

The responses to this consultation paper will provide important guidance to the Commission when preparing, if considered appropriate, a formal Commission proposal.

You are invited to reply **by 3 March 2021** at the latest to the **online questionnaire** available on the following webpage: [https://ec.europa.eu/info/publications/finance-consultations-2021-european-singleaccess-point\\_en](https://ec.europa.eu/info/publications/finance-consultations-2021-european-singleaccess-point_en)

Please note that in order to ensure a fair and transparent consultation process **only responses received through the online questionnaire will be taken into account and included in the report summarising the responses.**

This targeted consultation on the ESAP initiative takes account of already undertaken consultations and aims at gathering further evidence and views on the best way to establish an ESAP, including the scope of data (and whether it could be broadened to non-mandatory information), cost-benefits, how to address SMEs, etc.

Views from stakeholders interested in and/or using public disclosed financial and nonfinancial information from EU companies, are welcomed.

Where appropriate, please explain your responses and, as far as possible, illustrate them with concrete examples and substantiate them numerically with supporting data and empirical evidence. Please also provide specific operational suggestions to questions raised. This will allow further analytical elaboration.

Please note that you are not required to answer every questions and you may respond to only those questions that you deem the most relevant.

This consultation follows the normal rules of the European Commission for targeted consultations. Responses will be published unless respondents indicate otherwise in the online questionnaire.

Please read the [specific privacy statement attached to this consultation](#) for information on how your personal data and contribution will be dealt with.

Responses authorised for publication will be published on the following webpage: [https://ec.europa.eu/info/publications/finance-consultations-2021-european-singleaccess-point\\_en](https://ec.europa.eu/info/publications/finance-consultations-2021-european-singleaccess-point_en)

# INTRODUCTION

## Background of this targeted consultation

The purpose of this targeted questionnaire is to seek general and technical views on the way to establish a European single access point (ESAP) for companies' financial and sustainable investment-related information made public pursuant to EU legislation. The establishment of the ESAP is the first action in the [Commission's new action plan on the capital markets union \(CMU\)](#). The EU legislation in the financial services area<sup>1</sup> requires companies to disclose a wide range of documents, particulars and datasets in order to increase the transparency and reduce asymmetry of information between company insiders and external investors.

The collection and dissemination of data is however fragmented. The EU law rarely prescribes specific dissemination channels. A few datasets such as an issuer's annual financial report must be published via a register. Registers are most of the time scattered along the national and / or sectoral dimensions. At the EU level, the [European Securities and Markets Authority \(ESMA\)](#) maintains a number of public registers.

Stakeholders encounter significant difficulties in accessing, comparing and using the companies' financial and sustainability-related information published pursuant to the relevant EU legislation. Based on responses received from stakeholders on previous consultation activities, it appears that:

- i) Stakeholders find it difficult to access specific companies' information because the information itself is scattered geographically (generally by Member State), functionally and thematically. Information is also often searchable or available in local languages only, and not always freely accessible or bulk downloadable;
- ii) Investors and users find publicly disclosed financial and non-financial information difficult to compare and analyse. This is mainly due to the lack of common standards for such disclosure, use of different identifiers for a same entity, lack of interoperable formats and lack of harmonised implementation of reporting obligations at national level. The introduction of the ESEF format for financial reports by listed companies in 2021 or 2022 will to some extent remedy the situation but applies to only a small fraction of the regulated information disclosed by companies;
- iii) Stakeholders find the electronic usability of the data suboptimal. Data is hardly ever disclosed in a machine readable structured format. Notwithstanding some progress in the field of natural language processing, this undermines algorithmic processing of such data.

The lack of an integrated data management at the EU level is detrimental in many ways. Firstly, it is particularly detrimental to SMEs and to companies incorporated in Member States with less-developed capital markets. These companies lack cross-border visibility and struggle to find investors, thus reducing the liquidity of their securities. Secondly, it stifles market integration and innovation in the EU (such as pan-EU added value services and Fintech), and constitutes a competitive disadvantage for the EU capital markets in terms of attractiveness, compared to capital markets in other jurisdictions, such as the US.

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<sup>1</sup> In relation to inter alia capital markets, credit rating, investment, lending, insurance, asset management, funds (including UCITs), sustainable finance

Lastly, the lack of integrated data management and access act as an important impediment to a fully-fledged [capital markets union \(CMU\)](#).

An EU-wide mechanism offering easily accessible, comparable and digitally usable information such as the ESAP can remedy the situation. The EU can add value by establishing an EU platform offering an EU single access point as well as an EU harmonised approach for the IT format for companies' information published pursuant to EU law.

### **Context and link with other initiatives**

The Commission aims to foster policies that are fit for the digital age. Industrial and commercial data are key drivers of the digital economy. In its European Data Strategy of February 2020, the Commission declared its intention to make more data available for use in the economy and society. The strategy suggests the roll out of common European data spaces in crucial sectors such as the green deal and the financial sector. The Commission is preparing a legislative proposal to establish such spaces.

The [High Level Forum on the Capital Markets Union \(HLF\)](#), set up by the European Commission in November 2019, recommended in its final report adopted on 10 June 2020 to set up the ESAP as an EU-wide platform in order to facilitate investors' access to company data, including that of SMEs. The HLF considered that standardised data reporting standards and formats should make data more easily accessible and comparable for investors. The need to improve accessibility, comparability and usability of information is also mentioned in the [digital finance strategy](#)<sup>2</sup>. Similarly, the forthcoming Renewed Sustainable Finance Strategy is likely to deliver similar messages as regards public data in its remit<sup>3</sup>.

The development of the ESAP will seek to encompass a wide scope of public information. The scope of the information covered by the platform will focus on the needs of users, in particular investors, while also taking into account the needs of a broader range of users such as civil society in particular as regards sustainability-related disclosures. It will also examine whether and how to embed information beyond the financial services area, such as entities with no access to capital markets and SMEs in order to expand their funding opportunities.

It will entail streamlining disclosure mechanisms set-out in EU legislation. The platform should build to the greatest extent possible on existing EU and national IT infrastructure (databases, registers, in order to avoid adding to companies reporting burden). The Commission invites input from stakeholders to define the precise information coverage, governance and features of the ESAP.

The development of ESAP will build on existing EU initiatives, such as the findings of the [European Financial Transparency Gateway \(EFTG\) pilot project](#), and will complement existing initiatives such as the [Business Registers Interconnection System \(BRIS\)](#).

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<sup>2</sup> In order to facilitate real-time digital access to all regulated financial information, the Strategy suggests that by 2024, information to be publically released under EU financial services legislation should be disclosed in standardised and machine-readable formats.

<sup>3</sup> The Strategy is planned for Q1 2021.

The Commission has recently undertaken a range of public and other consultations<sup>4</sup> relevant for the development of the ESAP. The responses to these consultations indicate a strong and widespread support for an ESAP as regards public financial as well as nonfinancial information from both listed and non-listed companies, e.g. entities with no access to capital markets such as SMEs.

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<sup>4</sup> Capital Markets Union High Level Forum Final Report, A new digital finance strategy for Europe/FinTech action plan, Nonfinancial reporting by large companies, Fitness check on the EU framework for public reporting by companies, European Strategy for Data, Renewed sustainable finance strategy.

## CONSULTATION QUESTIONS

### General questions

In this first section of the consultation, the Commission seeks to get stakeholders' views on some general questions regarding the features of the European single access point (ESAP). The Commission seeks views on which information stakeholders generally search for, where they search for it, in which format(s) and the barriers stakeholders might encounter. This will also help the Commission to prioritise which aspects should be considered immediately when developing ESAP, and which could be implemented at a later stage.

- Please rate the following characteristics of ESAP based on how relevant they are according to you (please rate each item from 1 to 5: "1": fully disagree, "2": somewhat disagree, "3": neutral, "4": somewhat agree, "5": fully agree and "no opinion"):

	1	2	3	4	5	No opinion
The information quality (accuracy and completeness) is most important					X	
The widest possible scope of the information is most important			X			
The timeliness of the information is most important					X	
The source of the information is a key element to know					X	
The immutability of the information is a key element						X
ESAP should include information made public on a voluntary basis by non-listed companies of any size, including SMEs					X	
ESAP should include information made public on a voluntary basis by financial market actors					X	
Other aspects, if so which ones: <ul style="list-style-type: none"> <li>Moreover, we believe that ESAP could be established as a public repository with electronic access to data via an application programming</li> </ul>					X	

<p>interface (API). The API enables users to easily retrieve data in a structured electronic format and use ESAP as an important data source. Electronic access to ESAP would enable users to replace current data gathering processes which are complex and costly as various data sources (e.g. registers, websites, etc) in different EU member states (which have different access restrictions and technical solutions in place) must be accessed. The cost of accessing data and maintaining interfaces is high as multiple data sources must be accessed (e.g. governmental databases, Investor Relations websites of companies etc) with various technical access solutions (e.g. registration necessary, html only, API available etc). Furthermore, no standardized data format is available for companies' public information. Thereby, some services are fee-based (different fee models), some require user registration while other platforms are publicly accessible. A comprehensive repository would certainly be valuable in order to resolve such issues of access and cost to data for both financial and non-financial information.</p> <p><b>Please indicate ....</b></p>						
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Please explain your position in the text box below providing your arguments, and where appropriate, concrete examples and data to support your answers:

### **Widest possible scope of the information**

Despite the other characteristics of ESAP being ranked higher, we wished to prioritise our explanation behind the reasoning for giving a ranking ‘3’ for the scope of the project. The EACB first and foremost supports the proposal of the Commission to broaden the scope of the ESAP to both financial and non-financial information, as getting updated financial and non-financial data on companies is key for the proper functioning of the banking sector from a risk management perspective. This is even more the case for smaller companies (SMEs) where information availability is scarcer. However, we opted for a more neutral ‘3’ rating because we think this wider scope can be achieved by using a phased approach which can be set up in a roadmap by the European Commission which could also be evaluated by a certain frequency (e.g. annually), as recommended by the High Level Forum on the CMU. Our members believe that ESAP should have an immediate focus on certain regulation and infrastructures where public information is already being made available, and then eventually phase-in the various financial and non-financial data as the regulation is published or updated. ESAP should not try and reinvent the wheel if the costs outweigh the benefits, and thus, the scope should be determined based on the prevention of any additional reporting burdens and based on building upon existing infrastructure. More detail on this is provided in our answer to question 7, but by way of summary, we support a focus on entity related information as a first step. Any product related information should be evaluated for inclusion within the scope at a later phase.

The integration of ESG and financial data in the same repository also shows advantages from different perspectives: 1) financial reporting is standardized already and so it should not present so much of a technical difficulty or take too much time to get the data on to the platform; 2) there is a need for interlinking ESG- and financial reporting in the longer term. These two are natural parts of one whole, especially when monetization of ESG impacts will start taking place gradually and increasingly; and 3) one of the key building blocks in the future ESG reporting standardization in the EU is “building on and contributing to” international existing ESG standards. This can only be done in good cooperation with IFRS & other international standards. EFRAG, which has the mandate to standardize the ESG reporting, is overseeing also financial reporting and has very good relations with IFRS. IFRS is very keen to develop non-financial reporting standards. Thus, this again points to the need to combine non-financial and financial reporting under the scope of ESAP.

Moreover, there is an additional need to cope with the limited availability of good quality ESG data which banks are currently facing. The EACB vocalised this urgent need for ESG data in June 2020 when it called the EU to build a centralised electronic European ESG data register to increase the availability of raw harmonized ESG data that would allow for better comparability, increase transparency, lower barriers and costs, generate efficiency, reduce complexity and attract new players. We believe that the development of ESAP on the collection of non-financial data would represent a very important and strategic project to solve the ESG data gap issue at European level.

### **Immutability of the information**

We are not sure if immutability refers to the deletion or modification of information in the ESAP. If it does, then the main comment received from our members is that if modifications shall be allowed in ESAP then users should be clearly able to see that the

information has been changed or deleted, and reference should be made between the original and changed information.

### **Inclusion of information on a voluntary basis by non-listed companies including SMEs**

For ESG data, we propose that the inclusion of information from non-listed companies including SMEs should always follow the approach under the NFRD review. If the NFRD shall determine that non-listed companies including SMEs should provide mandatory non-financial information, then the same entities should be considered under ESAP based on simplified reporting obligations for SMEs, but in any case on a voluntary basis for micro-enterprises. A turnover threshold could also be decided, below which information reporting would not be necessary. This position also reflects the EACB's reply to the consultation on the NFRD review published in February 2020.

If the NFRD does not extend its mandatory reporting requirements to such entities, we understand that the European Commission envisages inclusion on a voluntary basis under ESAP. In this context we would suggest, that ESAP should be designed in a way to incentivize such companies to submit their data in order to be visible for the capital market and secure funding for their activities.

For financial information, it is hard to impose a mandatory reporting regime for non-listed companies including SMEs, since this would probably require an additional burden over and above existing reporting requirements (especially since non listed companies would be required to transform their information into a machine readable format for the purpose of ESAP). Therefore, we would support the Commission's proposal for inclusion on a voluntary basis for such entities in terms of financial information.

### **Other aspects**

In the 'other' section we pointed out the digital solution behind the structure of ESAP is a very important characteristic for the success of the project. However, we wish to point out that when building on existing infrastructures, the European Commission should discuss technical solutions in order to facilitate the use of API programming for registers such as the BRIS. Currently, National Justice Ministries' rules can be different in terms of deadlines, type of information, format, procedures, etc and this could complicate the process in terms of national business registers. As a matter of fact, page 3 of the consultations cites the different problems we already face in Europe to access financial information. If BRIS shall remain existing as a data infrastructure, then its lack of automatic download, use of programming like API etc will not be taken into account in ESAP in order to provide an important benefit of ESAP: digital use of access.

2. Which channels do you use when searching for, retrieving or using companies' public information? (Multiple choice allowed)
- Company's website X
  - Data aggregation service providers X
  - Stock Exchanges X
  - Public repositories or databases (OAMs, NCAs, ESAs) X

Other **Please provide detailed information** X

3. Would you say that the cost for retrieving and using companies' public information is?

Immaterial

Average

High X

**Please provide more information**

The cost of accessing data and maintaining interfaces is high as multiple data sources must be accessed (e.g. governmental databases, Investor Relations websites of companies etc) with various technical access solutions (e.g. registration necessary, HTML only, API available etc).

Furthermore, no standardized data format is available for companies' public information. Thereby, some services are fee-based (different fee models), some require user registration while other platforms are publicly accessible.

4. In which electronic format is companies' public information provided by these channels?

XBRL X

PDF X

XML X

HTML X

CSV, TXT X

Excel X

Formats enabling natural language processing X

Other **Please provide detailed information**

5. Do you encounter barriers or difficulties when accessing the information?

YES **Please describe** X

NO

Members suggested that listed companies face the following barriers when accessing the information: 1) cost of the membership fees to data providers, 2) multitude of data providers, 3) lack of completeness and reliability of the provided data. On the other side, for non-listed companies, the fact that the data is very difficult to find constitutes the main obstacle.

More in general, other barriers are represented by: 1) the lack of proper Application Programming Interface (APIs); 2) the complexity of the websites on which to access the

requested information; 3) the difficulty to access data with screen readers for visually impaired users.

6. Do you encounter barriers or difficulties when using the information?

YES X

NO

We would like to particularly flag the barriers with respect to non-financial data. When it comes to consider the practical obstacles to use non-financial data, our Members encounter difficulties due to the lack of standardisation of the data (both content and format) and when using indicators that are based on externally provided data. According to the ERM Sustainability Institute's report 'Rate the Raters 2020', there are 600+ external ESG ratings and rankings on a global level. These external data providers do not provide raw data and thus there is a lack of transparency concerning the interpretation/transformation of data by external providers. Furthermore, the lack of a machine-readable format will translate in a time-consuming issue for banks if this is not catered for under ESAP.

## The scope of ESAP

Should ESAP include information from the hereunder provided list of EU legislations in the financial area? And if so, please specify whether the ESAP should embed this information immediately (as soon as the ESAP starts) or at a later stage (phasing in) (please choose one of the two options for each EU legislation that you agree to include in ESAP).

	Fully disagree	Somewhat disagree	Neutral	Somewhat agree	Fully agree	Immediately	At a later stage
The Transparency Directive (2004/109/EC) (e.g. annual/half yearly financial reports, acquisition or disposal of major holdings)					X	X	
The Accounting Directive (2013/34/EU) (e.g. financial statements, management report, audit report)					X	X	
The Audit Directive (2014/56/EU) and Audit Regulation (537/2014/EU) (e.g. auditor transparency reports)				X			X
The Non-Financial Reporting Directive (NFRD) (2014/95/EU) (e.g. non-financial statement)					X	X	
The Prospectus Regulation (2017/1129/EU) (e.g. Prospectus, Universal Registration Document, SME Growth Markets-information)				X			X
The Shareholders Rights Directive (2007/36/EC) and (2017/828/EU) (e.g. Remuneration Report)					X		X
The Market Abuse Regulation (596/2014/EU) and Market Abuse Directive (2014/57/EU) (e.g. inside information)					X		X

The Resolution and Recovery of Credit institutions and Investment firms Directive (BRRD) (2014/59/EU) (e.g. information on the group financial support agreement)			X				X
The Covered Bonds Directive (2019/2162) (e.g. information on the cover pool)				X			X
The Capital Requirements Directive (CRD) (2013/36/EU) and Capital Requirements Regulation (CRR) (575/2013/EU) (e.g. prudential information, stress test results)		X					X
The Credit Ratings Regulation (1060/2009/EU) (e.g. transparency report)				X			X
The Central Securities Depositories Regulation (909/2014/EU) (e.g. governance arrangements)			X				X
The Key Information Documents for Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation (1286/2014/EU) (e.g. key information document)			X				X
The Regulation on European Long-term Investment Funds (ELTIF) (2015/760/EU) (e.g. fund-related information)			X				X
The European Market Infrastructure Regulation (EMIR) (648/2012/EU) (e.g. prices and fees of services provided, risk management model)			X				X
The Financial Conglomerates Directive (FICOD) (2011/89/EU) (e.g. corporate structure of the conglomerate)			X				X

The Directive of Prudential Supervision of Investment Firms (IFD) (2019/2034/EU) and the Regulation of Prudential Requirements of Investment Firms (IFR)			X				
(2019/2033/EU) (e.g. aggregated information on high-earners, remuneration arrangements)							
The Directive on the Activities and Supervision of Institutions for Occupational Retirement Provision (IORP) (2016/2341/EU) (e.g. remuneration policy)			X				
The Pan-European Personal Pension Products Regulation (PEPP) (2019/1238/EU) (e.g. key information document)	X		X				
The Regulation on Wholesale Energy Market Integrity and Transparency (REMIT) (1348/2014/EU) (e.g. inside information)			X				
The Securities Financing Transactions Regulation (SFTR) (2015/2365/EU) (e.g. aggregate positions)			X				
The Solvency II Directive (2009/138/EC) (e.g. solvency and financial condition report)			X				
The Short Selling Regulation (236/2012/EU) (e.g. net short position)			X				
The Take-Over Bid Directive (2004/25/EC) (e.g. Information in the management report on companies' capital and shareholders, voting rights, governance...)					X	X	
The Directive of Markets in Financial Instruments (MIFID) (2014/65/EU) and Regulation of Markets in Financial Instruments (MIFIR) (600/2014/EU) (e.g. volume and price of certain transactions)			X				

The Regulation on European Venture Capital Funds (EuVECA) (345/2013/EU) (e.g. fund-related information)			X				
The Regulation on European social entrepreneurship funds (EuSEF) (346/2013/EU) (e.g. fund-related information)			X				
The Regulation on Money Market Funds (2017/1131/EU) (e.g. prospectus)			X				X
The Directive on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (2009/65/EC) (e.g. key investor information)			X				X
The Directive on Alternative Investment Fund Managers (AIFM) (2011/61/EU) (e.g. investment strategy and objectives of the fund)			X				X
The Regulation on EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks (EU 2019/2089) (e.g. information on measurable carbon emission reduction)					X	X	
Information on sustainability risks and impacts disclosed pursuant to the Regulation (EU) 2019/2088 on sustainability-related disclosure and The Taxonomy Regulation (2020/852/EU) (e.g. sustainability risks integration policies)					X	X	

The EU Emissions Trading System (EU ETS)			X				
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Please explain your position in the text box below providing your arguments, and where appropriate, concrete examples and data to support your answers: **[textbox]**

In general, the EACB supports a phased approach regarding the scope of data to be included under ESAP whether financial or non-financial. Therefore, even where in the above table certain regulation is selected “immediately” under the scope, this also depends on the status of public information available. ESAP should not be a standard-setter or add additional regulatory or reporting burdens. The data in ESAP should be linked to reporting for regulatory requirements already in place. In light of the phased approach, we propose that the EU Commission establishes a Roadmap with the different stages for developing the ESAP. This roadmap should begin with entity related information as a priority, with potential consideration of product related data at a later stage.

Another general comment we have is in relation to regulations vs. directives, and whether the difference of these two types of law should be reflected in ESAP as well. Requirements formulated in regulations have direct legal force, unabridged, in all EU countries. However, they are quite general, and thus ESAP may also need to reference implementing acts. By contrast, directives are translated into national legislations and this may lead to differences on what is required to report and how it should be reported. Differences between countries’ implementation have to be checked and if so noted, as the national law takes precedent.

**Non-Financial information**

We believe that the ESAP should collect first and foremost the entity-related information needed for taxonomy and SFDR compliance (especially those requested by level 2 implementation), together with disclosures required by NFRD (once developed), the information needed to fulfil obligations under the CRR/CRD mandates on ESG risks (i.e. both for disclosure – with the upcoming EBA ITS – and risk management purposes) and information related to Climate Benchmarks Regulation.

The integration of the requirements of the Non-Financial Reporting Directive (NFDR) into the scope of ESAP will play an essential role. Without sufficient and valid data from the real economy, determining a robust taxonomy ratio will be a serious challenge. The appropriate integration of non-financial information deriving from companies (especially SMEs) into ESAP could make a significant contribution to closing existing data gaps. In the context of reporting, it would also be helpful to include climate and environment-related information in ESAP (compare for example ECB Guide, requirement 13; TCFD Guide etc.), especially focusing on a company's emissions. Motivation for this argumentation is that financial institutions still face the problem of calculating Scope 3 emissions along their own business portfolio, as they still have to deal with a significant lack of data from their borrower/business partners. Therefore, this is where the public availability of a company's scope emissions could be very helpful for the financial sector. In addition, the disclosure of climate and environmental information of companies (incl. SMEs) could help to identify transformation potential in the respective industry.

In considering the phased approach for non-financial data, please note that the ITS on Pillar 3 disclosure ESG will be finalised early 2022, while the NFRD review is expected for launch in Q2 2021 and the legislative process will last probably until end 2022. In the meantime, ESG standards will possibly be developed by EFRAG. Those evolutions that may belong to the second phase of ESAP shall be foreseen in the building up.

Furthermore, there are still delays in publication and implementation of the RTS mandated under the EU Taxonomy and the SFDR. Regarding SFDR, we are also aware that the Initial Impact Assessment published by the European Commission confirms that: "This initiative does not aim to impose new disclosure obligations on European companies but to render information that companies currently disclose to the public more accessible and comparable." Since there is no obligation for Non-Financial companies to disclose the information that investment firms and credit institutions need under the SFDR, it is unlikely that ESAP will collect information needed for SFDR compliance. Banks would expect that the data gap for such compliance is resolved via EU regulatory harmonisation, i.e. non-financial information that would cover the disclosure requirements under the SFDR to be included under the NFRD . We also note that product related disclosure requirements are required under SFDR but how ESAP would help resolve the data gap in this case should be something discussed later in the roadmap. At the moment, the focus should be on entity related information.

### **Financial information**

In the banking and asset management world, the annual accounts are the basis for every investment and every loan. . Therefore, we would propose a phased approach whereby annual accounts are included within the scope of ESAP as a first step. The framework for annual accounts is well-defined, and annual accounts could be uploaded into a repository even today (some countries have already such infrastructures).

As a second step, our members do consider that certain conduct of business regulation where there is a regulatory requirement to fulfil ( with no additional layer of administrative requirements) would benefit from some infrastructure project. The most noteworthy in this respect are the regulations on Shareholder Rights Directive, Market Abuse Regulation/Directive, and Prospectus Regulation. Indeed, there are already EU transparency infrastructures set up or being set up to cater for compliance with these regulations and these would have to be taken into account when building ESAP.

At a later stage, ESAP could also consider product related securities markets regulations such as PRIIPs, MiFID, UCITS, AIFMD, and market infrastructure regulation such as CSDR and EMIR. However, this would have to be explored further in the project roadmap.

Finally with regard to prudentially sensitive data, we believe that as ESAP will be public, FINREP/COREP prudential reporting for banks must not qualify for ESAP, as this information is only produced for the supervisors' scrutiny. However, if publicly disclosed financial information under CRR/CRD (i.e. Pillar 3 disclosure) is included in the scope of ESAP at some point, it should be ensured that this does not result into additional costs or obligations for institutions e.g. in terms of data validation, data quality checks and so on.

### **The usability and accessibility**

Investors and users find publicly disclosed financial and sustainability-related information difficult to compare and analyse. This is mainly due to the lack of structured data, of common frameworks and/or interoperable formats for such disclosures, the use of different identifiers for the same entity and the lack of harmonised implementation of reporting obligations at national level. This section of the questionnaire seeks stakeholders' views on format(s) in which the information in ESAP should be made available, in order to make it more usable digitally, and how stakeholders would prefer to have access to and retrieve this information from ESAP.

8. In order to improve the digital use and searchability of the information, for which of the hereunder information would you support the use of structured data formats, such as ESEF (XHTML and iXBRL), XML, etc., allowing for machine readability? (Multiple choice allowed)

- Listed companies' half yearly financial reports X
- Financial statements X
- Management report X

- Payments to governments X
- Audit report X
- Total number of voting rights and capital X
- Acquisition or disposal of issuer's own shares X
- Home Member State X
- Acquisition or disposal of major holdings X
- Inside information X
- Prospectuses X
- Net short position details X
- Fund-related information
- Key Information Document
- Public disclosure resulting from prudential requirements
- Remuneration policies X
- Corporate structure of the conglomerate
- Governance arrangements X
- Covered bonds - related information X
- Solvency and financial condition report
- Sustainability - related information X
- Other **Please provide detailed information** (taxonomy ratio for companies if available)

We suggest that the future platform should focus on including raw data so that it would be possible to perform the analytical screening functions as already proposed (Taxonomy alignment screening, sector-based materiality disclosure screening, sector-based peer group comparison etc.). In addition, we believe that financial statements, sustainability related data and Taxonomy ratio per company could be converted digitally in a machine-readable format in the ESAP. Despite the fact we acknowledge that some stakeholders would suggest the ESAP to include also

information at a product level, we believe that the main focus should remain with the inclusion of information at a company level in the immediate phase.

Moreover, we believe that the ESAP should be regarded as a strategic infrastructure project for the EU, as a centralized repository for data based on the existing solutions at national/European level.

9. Which of the following machine-readable formats would you find suitable? Please rate the following information based on how suitable they are according to you (please rate each item from 1 to 5: “5” being the highest rate and “1” the lowest):

	1	2	3	4	5	No opinion
ESEF ( XHTML files + inline XBRL tagging requirements)					X	
XML files				X		
CSV files				X		
Excel					X	
Formats enabling natural language processing						X
Other: PDF, Word			X			

Please explain your position in the text box below providing your arguments, and where appropriate, concrete examples and evidence to support your answers: **[textbox]**

10. How should the information be accessible in ESAP? (Multiple choice allowed)

- Through Application Programming Interfaces (APIs) X
- Bulk download X
- Web portals X
- Other **Please insert here ...**

11. ~~To what extent should the language barrier be tackled? For the following features of the ESAP (web portal, metadata, taxonomy/labels, and content/data), which of the following language arrangements would you favour?~~

~~Portals / search tools:~~

- ~~in a language that is customary in the sphere of international finance X5~~
- ~~in multiple or all EU languages X3~~

~~Metadata (where variable text):~~

- ~~in original language X3~~
- ~~in a language that is customary in the sphere of international finance X5~~
- ~~in multiple or all EU languages~~

~~Taxonomy / labels (if any):~~

- ~~in original language X3~~
- ~~in a language that is customary in the sphere of international finance X5~~
- ~~in multiple or all EU languages~~

Content / data:

- in original language ~~X4~~
- in a language that is customary in the sphere of international finance ~~X4~~
- in multiple or all EU languages

### **Infrastructure and data governance (collection of data + validation of data)**

The Commission seeks stakeholders' views on the preferred technical solution(s) to establish the architecture of ESAP, and how to ensure the quality and integrity of the information within ESAP. A body in charge of ESAP, which should be non-for-profit, would be responsible for coordinating IT systems, maintenance and budgetary aspects.

12. Should specific categories of stakeholders be involved in the governance of ESAP? (Multiple choice allowed)

- EU authority (ESMA, European Commission etc.) or a consortium of EU authorities. **X**
- National Competent Authorities **X**
- Investors **X**
- Reporting companies **X**
- Other **X**

**Please insert here ....**

Our members particularly commented on the involvement of different stakeholders in terms of non-financial information. It was proposed that a stakeholders' committee (similar to that of the ESAs) should be set up, composed of investors, reporting companies and ESG services & products providers. This committee would have no decision-making responsibility on governance but provide advice based on practical experience. This advisory function could also be created by way of a good user group and a scientific advisory group, including sustainability rating sector representatives, banks and so on.

13. Considering the point in time at which a company makes public some information that is legally required, what would be the ideal timing for the information to be available on the ESAP?

The ideal timing for the information to be available on the ESAP would be immediately after publication (ideally even simultaneously with the publication of the regulated information). The main benefit of ESAP would be the easy access to data which must be published under law. Therefore, a timely publication of such data in ESAP is necessary to achieve this goal. Furthermore, it would be important to differentiate between listed and unlisted companies, with the latter being allowed to follow their own timing. We also wish to remind that prerequisites for a simultaneous reporting in ESAP include standardisation and automation of data reporting.

14. Should the integrity of the information and the credibility of the source of data used be ensured, when it is made accessible in ESAP?

- By electronic seals or electronic signatures embedded at source
- By the ESAP platform
- By other means / trust services X

**Please insert here ...**

We understand that “credibility” is enquiring about security and rightful ownership of the data. If this is the case, we understand that on one hand electronic seals or electronic signatures should be required from the preparers’ side. This is particularly true for non-financial information which is not standardised as of yet, and thus will be probably required direct from the entity. However, for financial information already reported in EU and national registers, databases and data infrastructures, we assume that there may be automatic forwarding of such data in real-time or with a reasonable delay to the ESAP. Subject to such security mechanisms already being in place at these financial data sources, then the ESAP platform should also ensure the integrity of the information and the credibility of the source of data. In general, the ESAP platform should also ensure that none of the data (whether financial or non-financial) is compromised through corruption or modification.

If integrity of the data also relates to the quality of the data at source (besides the concept of quality checks under questions 15 and 16), then we support a system based on trust for non-financial information. First, this would encourage the reporting entities to take responsibility for the quality of the information they provide. Second, this would help SMEs reporting by not creating an additional constraint in the reporting mechanism. For financial information, there are already audit obligations (e.g. for annual accounts) in place,

particularly for listed companies. Therefore, it might be easier to ensure the quality of the data in many cases. For SMEs, the quality of the financial data (especially if not audited) should be based on a system of trust.

15. Should the information in ESAP be subject to quality checks?

YES X

NO

Other

**Please insert here ...**

16. Should a quality check be needed, what would need to be checked? (Multiple choice allowed)

Compliance with IT formats X

Certain key tests (matching figures, units, ...) X

Use of a correct taxonomy X

Completeness X

Availability of metadata X

Other **Please insert here ...** X

## Targeted questions regarding entities with no access to capital markets (non-listed entities), including SMEs

The lack of an integrated data management at the EU level is detrimental to entities with no access to capital markets notably to SMEs that struggle to find investors beyond national borders. Companies of all sizes – and in particular SMEs – need solid marketbased funding sources. This was already the case before COVID-19, but will be even more important for the recovery if bank lending might not be sufficient. Therefore, this section of the consultation sets out questions on how ESAP specifically can help ensure that SMEs receive the funding they need.

SMEs, often do not have the technical expertise nor resources necessary to prepare reports in accordance with state-of-the-art, sophisticated standards. At the same time, many SMEs are under increasing pressure to provide financial information as well as certain sustainability related information in order to access market-based funding and for their usual conduct of business. In this respect, entities which cannot provide this information may experience a negative impact on their commercial and/or investment opportunities.

17. Should it be possible for companies other than those with securities listed on EU regulated markets to disclose information on ESAP on a voluntary basis?

- YES X
- NO

17.1 If you replied yes to question 17, please specify, which type of entities should be allowed to disclose data on a voluntary basis in the ESAP? (Multiple choice allowed)

- Companies with securities listed on a SME growth-market X
- Companies with securities listed on other non-regulated markets X
- Pre-IPO companies not yet listed on an exchange X
- Any unlisted companies X
- Other entities: **Please insert here ...** X

For ESG data, we support the inclusion on a voluntary basis of micro-enterprises as we believe that any entity well-disposed to disclose such information should be enabled to do so, without any impediments determined by its size. However, the majority of members of the EACB believe that in principle all corporates should report NFI, as such data flow is needed if banks are to assess their portfolio and recalibrate their credit flow in the coming years.

A very differentiated framework should be developed for micro-companies, small companies, and for medium and larger companies, all based on a common methodology. Any SME framework, such as any of the more complex framework, should reflect the methodology of the EU taxonomy and work on its building blocks.

The future revision of the NFRD will provide a clearer indication of which companies will be included in the new scope in the provision of non-financial information. In the case the revision of the NFRD will address the SMEs dimension, such entities should be considered in ESAP as long as they are in scope of the NFRD. If the inclusion of SMEs under NFRD calls for a simplified regime for such entities then this should be the direction taken by ESAP too. We understand that such simplified regime would however require defining thresholds to distinguish between SMEs subject to regulatory reporting from micro-companies which we believe should at least be subject to a voluntary reporting.

If the NFRD does not take into account the above and information by unlisted companies including SMEs is provided on a voluntary basis then we would propose that ESAP should be designed in a way to incentivize such companies to submit their data in order to be visible for the capital market and secure funding for their activities.

For financial information, it is hard to impose a mandatory reporting regime for non-listed companies including SMEs, if it means imposing an additional burden. Therefore, we would envisage a voluntary regime for unlisted companies including SMEs providing financial information.

18. What type of information should be disclosed on a voluntary basis in the ESAP?  
(Multiple choice allowed)

- A set of predefined key financial information, allowing to compare data X
- Any financial information that the issuer would be willing to render public via ESAP
- A set of predefined key sustainable related information, allowing to compare the data X
- Any sustainability related information that the issuer would be willing to render public via ESAP
- Other (give a few examples)

**Please insert here ...**

19. As regards frequency of the submission of the voluntary information to ESAP, when should it occur?

- Following predefined periodic submission dates
- On an ongoing basis as soon as available X

We would support a submission of information on an ongoing basis, which would ensure access to the most up-to-date information. However, this should be accompanied by a requirement to update the information at least once a year.

20. ~~In which language should entities with no access to capital markets be able to encode the voluntary information, please choose one or more preferred language from the list below:~~

National language ~~X2~~

A language that is customary in the sphere of international finance ~~X4~~

Any language

Other (please explain)

~~Please insert here ...~~

~~Translation may not necessarily represent a disproportionate cost, but if it is (especially for small entities) it should not be a barrier.~~

~~Could be both national language and lingua franca in international finance. This should be left in hands of the entity.~~

21. Should filings done on a voluntary basis by SMEs and non-listed companies follow all the rules of the ESAP as regards for instance identification, data structuring and formats, quality checks, etc.?

Yes ~~X~~

No

Don't know / no opinion / not relevant

Please explain your position in the text box below: **[textbox]**

It is important that all contributors to the ESAP follow the same rules as regards quality, structure and format of the reported data, and that their data be subject to the same quality checks irrespective of whether the reporting entity is listed, large, unlisted or small. This is important to notably support reported data analysis.

Moreover, it is important that the information made available through ESAP is sufficiently reliable and is preferably audited, possibly also voluntarily shared information.

From the perspective of the reporting companies an additional reporting line should clearly be avoided. Therefore, any financial data in ESAP should be built upon existing data sources. Thereby, new developments such as the ESEF could be levered.

### **Costs and benefits**

The Commission anticipates that ESAP will lead to multiple benefits. It can, however, also, imply additional costs for i) preparers, in terms of compliance requirements on machine-

readability, standards, as well as training of staff, etc., ii) users, in terms of search, collection and processing of the information they need, iii) the development of the ESAP architecture. In some areas ESAP should also lead to cost savings, notably related to fil.

22. Do you expect that costs of introducing ESAP be proportionate to its overall benefits?

- Not at all
- To some extent
- To a reasonable extent X
- To a very great extent
- No opinion

23. As a user, can you give an estimation of your yearly cost for retrieving and using companies' public information?

**Please insert here ...**

The scope of what "retrieving and using" public information covers is unclear. What is clear though is that considering the current various sources of data, and the current lack of standardisation and reliability of non-financial data, ESAP can only be significantly less expensive than our current data related costs. Furthermore, there is no monetary or resource data collected for information retrieved directly from companies' websites (which is normally free), and if costs were incurred (for example related to staff resources), it is not possible to divide the costs for information systems between public information data and other data.

24. As a user, how large share of these costs do you expect to save through the use of ESAP?

- 10%
- 20%
- 30%
- 40%
- More than 50%
- Other (please explain) X

**Please insert here ...**

It is observed by our members that the cost savings from the ESAP might be considered as low, since ESAP will already build on existing infrastructure. Furthermore, users might also need to use other fee-based services, company websites or other sources alongside ESAP. That said, there may be further savings gained due to the pressure on data providers to lower prices (especially for ESG-

related services) following the fact that some data can be expected to be obtained from ESAP.

This is especially true if ESAP can allow access to public ESG data for free, making it significantly less expensive and more sensible than in the current situation. In this context, ESAP would put an end to the artificial pricing policies of the current oligopolistic situation of ESG data providers.

25. Should the user have access for free to all data in the ESAP (based e.g. on an open data policy approach)?

Yes **X**

No

26. Assuming that development and maintenance costs will arise, how do you think the ESAP should be funded? (Multiple choice allowed)

By EU funds **X**

By national funds

By users (i.e. usage fees) **X**

By preparers (i.e. uploading fee)

Other (please explain) **X**

**Please insert here ...**

ESAP being an EU project and an EU infrastructure, it should be funded by the EU. In addition, we would like to complement our response to Q. 25 as regards users' access to data in the ESAP where we in principle advocate for free usage of the data for all. However, we believe there needs to be a distinction between on the one hand users which need to the data for their own European reporting requirements, where access should be for free (together with individuals and academics), and on the other hand those companies which want to use the data for commercial purposes, where an entry fee should apply.

27. What would be the main benefits for entities with no access to capital markets to disclose this information publicly in ESAP? (Multiple choice allowed)

Get more visibility and attract a broader range of investors **X**

Get more transparency on ESG data (easily retrievable) **X**

Other **Please insert here ...**