



## DELAY TO THE IMPLEMENTATION OF THE EUROPEAN SINGLE ELECTRONIC FORMAT

Issued 28 August 2020

ICAEW welcomes the opportunity to comment on the Delay to the implementation of the European Single Electronic Format published by Financial Conduct Authority in July 2020, a copy of which is available from this [link](#).

We support the Financial Conduct Authority proposal to postpone by 1 year the mandatory European Single Electronic Format requirements for annual financial reporting under the Transparency Directive.

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## KEY POINTS

### SUPPORT FOR PROPOSAL

1. We support the Financial Conduct Authority (FCA) proposal to postpone by one year the mandatory European Single Electronic Format (ESEF) requirements for annual financial reporting under the Transparency Directive. As noted in the consultation paper, first time implementation of ESEF is likely to require considerable management and operational time. We believe the FCA's proposals offer a welcome and practical relief for listed issuers during the second half of 2020 and early 2021, allowing them to focus their attention on the immediate and pressing priorities arising from COVID-19.
2. We also note that the time afforded by the postponement might allow additional time for the Government to ensure that requirements around a framework for assurance of the tagged financial reports are clarified on a timely basis.

### BREXIT

3. While we support the proposal to postpone mandatory implementation of ESEF, we are aware that there are certain scenarios in which implementation of the proposal may not be possible ie, if there is an extension to the EU/UK transition period, or a negotiated Brexit deal involving regulatory equivalence. With this uncertainty in mind, we encourage the FCA to communicate the outcome of this consultation as quickly as possible, and in doing so, to fully address the legal, regulatory and enforcement position if it transpires that the FCA cannot amend the rule because of circumstances outside of its control.

### Answers to specific questions

#### Question 1

***Do you agree with our proposal to delay by 1 year the mandatory requirement for all issuers to publish their entire annual financial report in XHTML web browser format?***

4. Yes, we agree with the proposed delay.

#### Question 2

***Do you agree with our proposal to delay by 1 year the mandatory requirement for issuers who prepare consolidated annual financial statements in accordance with International Financial Reporting Standards (IFRS) to publish these statements with tagging of basic financial information in ESEF machine-readable format, as set out in the RTS?***

5. Yes, we agree with the proposed delay.

#### Question 3

***Do you agree with our proposal to delay by 1 year the mandatory requirement for issuers who prepare consolidated annual financial statements in accordance with International Financial Reporting Standards (IFRS) to publish notes to the annual financial statements with tagging in ESEF machine readable format, as set out in the RTS??***

6. Yes, we agree with the proposed delay.