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Filing with the FSMA of annual financial reports in the new ESEF reporting format: Opening of the test environment

Scope:

Issuers whose shares are admitted to trading on a regulated market.

Summary/Objectives:

The purpose of this communication is to inform relevant companies of the addition to the existing eCorporate test environment of an ESEF functionality for downloading and validating annual financial reports prepared in the European Single Electronic Format

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1 Introduction

For several years, companies listed on a regulated market that were required to upload their annual financial reports to the FSMA¹ uploaded these documents in PDF format via the FSMA eCorporate extranet application.

From 2021² onwards, these listed companies need to prepare and publish their annual financial reports in the ESEF reporting format (European Single Electronic Format)³. They are to submit their annual financial reports in the ESEF reporting format to the FSMA eCorporate extranet⁴.

On 11 December 2020 the European Parliament and the Council agreed to allow Member States to delay by one year the application of the ESEF requirements to listed companies' annual financial reports. Further information about Belgium's decision will follow shortly.

Listed companies who wish to publish their 2021 annual financial report in the ESEF reporting format will, of course, be able to do so.

2 New reporting format (ESEF)

European Regulation 2019/815 specifies the single electronic reporting format (ESEF), as referred to in the TD, is to be used for the preparation of annual financial reports by listed companies (XHTML / Inline XBRL).

The ESEF Regulation is regularly updated to take into account, among other things, changes to the IFRSs. ESMA published (and regularly updates) its ESEF Reporting Manual on the preparation of annual financial reports in Inline XBRL. ESMA also published a Conformance Suite that makes it possible to determine if a software is able to detect and flag infringements of the ESEF requirements contained in a filing.

Information on the ESEF Regulation, the ESEF reporting format, the ESEF Reporting Manual and the Conformance Suite are available on [ESMA's ESEF webpage](#).

¹ Some issuers (e.g. an issuer exclusively of debt securities, the denomination per unit of which is at least EUR 100,000) do not have to publish an annual financial report under Article 12 of the Royal Decree of 14 November 2017 (Royal Decree on the obligations of issuers of financial instruments admitted to trading on a regulated market) and are therefore not subject to the obligation to publish an annual financial report in the ESEF format (see Article 18 of the same Royal Decree) or to upload it to the FSMA's eCorporate extranet.

² Art. 4 (7) of the Transparency Directive (TD) (Directive 2004/109/EC of 15 December 2004).

³ Listed companies that do not publish consolidated financial statements also have to prepare their annual financial report in XHTML format (Art. 3, Regulation 2019/815).

⁴ Art. 42 of the Royal Decree of 14 November 2007.

3 Filing with the FSMA via the eCorporate extranet

From January 2021 onwards, the FSMA will allow listed companies to upload their annual financial reports under the ESEF format (see below for the test environment) to the eCorporate extranet platform.

The FSMA's software will perform a number of technical checks on the annual financial reports when the latter are uploaded to the FSMA's eCorporate extranet. The validation results file will be made available to the filer via eCorporate. There is no validation of annual financial reports that contain no IFRS consolidated financial statements.

Issuers are invited to use the validation results file to verify the technical correctness of their reporting in the ESEF format. As this file contains the results of a number of checks of technical aspects, companies are invited to consult their technical experts in order to draw conclusions on the basis of the validation results file and on the necessary modifications.

The validation results file is provided to listed companies to help them to comply with their ESEF reporting obligations. It can contain warnings, errors and severe errors. ESMA rule 2.5.1⁵ (see ESMA's Reporting Manual) is to be considered as a severe error, as this error concerns a verification of the file for potential active content, which must not be included in the ESEF reporting files. This also means that no XBRL viewer may be included in the file.

The fact that the validation results file does not contain any items is no guarantee that the annual financial report is technically fully compliant with the ESEF Regulation. For example, some aspects may go unchecked or may not be detected by the software.

As an Officially Appointed Mechanism (OAM), the FSMA will publish the reports on its public website ([STORI](#)) regardless of the errors detected (even in case of severe errors) during the validation of the ESEF reports. The responsibility for the validity and content of the submitted reports lies with the issuer.

4 eCorporate test environment

The FSMA has just included an ESEF upload and validation functionality in the existing [eCorporate test environment, which](#) allows listed companies to test the uploading of ESEF files.

The validation functionalities mentioned above are available in the eCorporate test environment in order to allow listed companies to check the validation results they will obtain when they upload their annual financial report. There is no validation of annual financial reports that contain no IFRS consolidated financial statements.

⁵ Resources embedded in or referenced by the XHTML document and its inline XBRL must not contain executable code (e.g. java applets, javascript, VB script, Shockwave, Flash, etc.) or references pointing outside of the reporting package.

5 Technical aspects of the filing

Please note that with respect to mandatory ESEF submissions of annual financial reports

- Either XHTML-format files or a ZIP reporting package containing a single XHTML format file (but not both) is allowed, in accordance with the ESMA ESEF reporting specifications. As regards the file extensions, both .html and .XHTML are possible, but the file needs to be in XHTML as explicitly required by the ESEF Regulation.
- Annual financial reports that contain no consolidated financial statements shall be uploaded as XHTML-files. Annual financial reports containing consolidated financial statements shall be uploaded as a zip reporting package.
- The ESEF format has become the official format under the Transparency Directive for the annual financial report and must be used in the main document uploaded in eCorporate. If the filer submits the ESEF report in multiple languages, separate ESEF reporting files need to be uploaded in eCorporate, one for each language (NL, FR, EN).
- Art. 36, §1 of the Royal Decree of 14 November 2007 requires that the annual financial report is also made available as a brochure. This brochure does not necessarily have to exist in printed form: it is sufficient that it is available in electronic form (e.g. PDF) and that those who request it can obtain a printed version. Taking this into account, the FSMA recommends that a PDF format file should be uploaded to eCorporate too, but only as an annex to the main document in the ESEF reporting format. When issuers present their annual financial report in other formats than ESEF, those documents should always refer explicitly to the official document prepared in ESEF in accordance with Regulation 2019/815. According to the European Commission's Interpretative Communication, these additional non-ESEF compliant versions of the annual financial reports constitute unofficial versions⁶.
- The maximum size of the submitted files is 50 Mb.
- In accordance with rule 2.5.1 in ESMA's Reporting Manual, no active content may be included in the ESEF reporting files.

⁶ See [Commission Interpretative Communication 2020/C 379/01](#), 4.3.