



Brussels, 26.9.2024  
C(2024) 6638 final

**COMMISSION DELEGATED REGULATION (EU) .../...**

**of 26.9.2024**

**amending the regulatory technical standards laid down in Delegated Regulation (EU) 2019/815 as regards the 2024 update of the taxonomy for the single electronic reporting format**

(Text with EEA relevance)

## **EXPLANATORY MEMORANDUM**

### **1. CONTEXT OF THE DELEGATED ACT**

In May 2019, the Commission published Delegated Regulation (EU) 2019/815 with regard to Regulatory Technical Standards (RTS) on the specification of a single electronic reporting format (the European Single Electronic Format – ESEF). The RTS on ESEF was developed by the European Securities and Markets Authority (ESMA) under Article 4(7) of Directive 2004/109/EC (Transparency Directive) as amended by Directive 2013/50/EU. This RTS specifies the single electronic reporting format for the preparation of annual financial reports by issuers of securities listed on the EU regulated markets for financial years beginning on or after 1 January 2020. Under this RTS, all issuers whose securities are admitted to trading on an EU regulated market must prepare their entire annual financial reports using the eXtensible HyperText Markup Language (XHTML) format starting with financial year 2020. Additional rules apply where issuers include in their annual financial reports, the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the Union pursuant to Regulation (EC) No 1606/2002 or as issued by the International Accounting Standards Board, which Commission Decision 2008/961/EC considers as equivalent to the IFRS adopted by the Union. IFRS consolidated financial statements must be marked up using the inline eXtensible Business Reporting Language (iXBRL) and such mark-ups must be embedded in the underlying XHTML document using the Inline XBRL technology. As a supplementary measure to help the recovery from the COVID-19 pandemic, Article 4(7) of the Transparency Directive was amended by Regulation (EU) 2021/337 to grant Member States the option to allow issuers in their jurisdiction to draw up annual financial reports in ESEF starting with financial year 2021 (instead of 2020), provided the intention to do so is notified to the Commission and is duly motivated.

The core taxonomy to be used for marking up the IFRS consolidated financial statements (ESEF Taxonomy) is specified in the Annex of the RTS under the Delegated Regulation (EU) 2019/815. The ESEF taxonomy – last updated via the amending Delegated Regulation (EU) 2022/2553 - is based on the one developed by the IFRS Foundation and is periodically updated to reflect, amongst other developments, the issuance of new IFRS or the amendment of existing IFRS, the analysis of disclosures commonly reported in practice, as well as improvements to the IFRS taxonomy's general content or technology. The latest version of the IFRS Taxonomy to date - the 2024 IFRS Taxonomy - was published on 27 March 2024. It includes the presentation and disclosure requirements of the IFRS Standards as issued by the International Accounting Standards Board at 1 January 2024, including those issued but not yet mandatorily applicable.

This RTS also accommodates the update of the IFRS Accounting Taxonomy published on 23 March 2023. In 2023, ESMA decided to postpone the incorporation of the 2023 update by the IFRS Foundation of their Accounting Taxonomy. This decision was made partly due to the limited changes in the 2023 update to the IFRS Accounting Taxonomy and, also, to monitor the implementation of the ESEF requirements, assess enhancements to the electronic financial reporting process and undertake preparatory work for sustainability reporting in an electronic format.

This RTS – submitted to the Commission by ESMA on 27 May 2024 - aims to amend the existing RTS on ESEF to reflect, in combination, the 2023 and the 2024 updates of the IFRS Accounting taxonomies. For this, it replaces Annex I, which now includes updates to the glossary of terms used in the RTS; it replaces Annex II, which now includes new elements in the list of accounting policies and list of notes set out in Table 2; it replaces Annex VI, which

now includes the updated core taxonomy schema to be used for marking up the IFRS consolidated financial statements. In addition, there are two amendments to Annex III to update the reference to the Taxonomy Packages versions, which have evolved with reference to the Report Packages specification as published by XBRL International on 22 September 2023 and to update Annex V in order to reflect the cross-reference to the Report Packages specifications.

Overall, this amendment is purely technical and is needed to align the issuers' electronic reporting with the latest state of the art reporting standards, which also reflect the evolution of the IFRS, thus facilitating the implementation by issuers of the mark-up requirements contained in the RTS on ESEF.

In the IFRS Accounting Taxonomy 2023, the main updates related to the accounting standards consisted of amendments to IFRS 16 on "Lease Liability in a Sale and Leaseback", where subsequent measurement was added; as well as amendments to IAS 1 "Non-current Liabilities with Covenants" to provide improvements on the information provided by entities. Additionally, the guidance on handling expired elements was updated by adding a reference note to the element stating that it is expired and a guidance element stating that the element should only be used to tag non-restated comparative information. On the technical side, the Data Type Registry was updated from variant 2020 of version 1.1 to variant 2022 that incorporates additional data types.

The main updates of the IFRS Accounting Taxonomy 2024 relate to amendments to IAS 12 "Income Tax" with additional disclosure requirements, amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments" to ensure proper disclosure of supplier finance arrangements and reverse factoring arrangements, amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" addressing how to determine the exchange rate when the spot exchange rate is not observable.

In the area of common practice elements, a review was conducted concerning the extensions used in the presentation of financial instruments in tagged financial statements prepared using IFRS Accounting Standards of banking institutions.

In terms of general improvements, the tagging of reconciliation of property, plant and equipment including right-of-use assets has been revised and updated alongside the introduction of categorical elements. These changes aim to enhance the quality of tagging of financial information.

Regarding technology updates two main changes were implemented. First, the adoption of Calculations 1.1 specification which incorporates a special mechanism for handling duplicated values and can be applied to rounded values. Second, improving the understandability of the Taxonomy through a change in default members labels. This change addresses the often unclear nature of default member labels, whether they are informative (e.g. total) or non-informative (e.g. not applicable).

In order to allow enough time for the effective implementation of the requirements by issuers, this amendment to the RTS on ESEF will be applicable at the latest for financial years beginning on or after 1 January 2025, allowing for early application. Consequently, for annual financial reports for financial statements beginning on or after 1 January 2024 – issuers will be allowed to use either the "2022 ESEF Taxonomy" (the current version of the ESEF Regulation) or the forthcoming "2024 ESEF Taxonomy" introduced by this RTS. Early application is especially relevant for issuers for whom one or more core taxonomy elements included in the "2024 ESEF Taxonomy" better reflect the accounting meaning of the disclosure being marked up depending on the early application of certain IFRS if, for instance, elements do not feature in the "2022 ESEF taxonomy". Furthermore, for those issuers also listed as foreign private issuers in the US, it is noteworthy to mention that the US Securities and Exchange Commission (SEC) permits the preparation and filing of financial

statements in accordance with either the latest or the second latest IFRS taxonomies i.e. the filing of 2024 financial statements with the US SEC will need to be prepared according to or be equivalent to the 2024 or 2023 IFRS taxonomies, but not the 2022 version.

## **2. CONSULTATIONS PRIOR TO THE ADOPTION OF THE ACT**

This amendment to the RTS on ESEF provides for purely technical amendments of the existing RTS on ESEF and as such does not constitute new policy or a substantial change to existing policy. In accordance with Article 10 of Regulation (EU) 1095/2010 (the ESMA Regulation), ESMA did not conduct an open public consultation of the draft RTS, nor has it analysed the potential related costs and benefits because such consultations and analyses would have been disproportionate in relation to the scope and the impact of this RTS.

## **3. LEGAL ELEMENTS OF THE DELEGATED ACT**

This amendment to the RTS on ESEF is based on Article 4(7) of the Transparency Directive as amended by Directive 2013/50/EU.

This delegated act includes purely technical updates to the taxonomy according to which issuers whose securities are admitted to trading on EU regulated markets are legally obliged to use for marking up the IFRS consolidated financial statements within the annual financial reports.

In particular:

- (1) Annex I is replaced by the text in Annex I to this Regulation;
- (2) Annex II is replaced by the text in Annex II to this Regulation;
- (3) Annex III, point 3 is replaced by the following:

‘3. Issuers shall submit the Inline XBRL instance document and the issuer’s XBRL extension taxonomy files as a single reporting package according to the Report Packages 1.0 specification.’
- (4) Annex V, point f is replaced by the following:

‘(f) be valid according to XBRL 2.1. specifications, XBRL Dimensions 1.0 specifications and be packaged according to the Reporting Package specification as set out in Annex III;’
- (5) Annex VI is replaced by the text in Annex III to this Regulation.

This is in line with the provisions of Commission Delegated Regulation (EU) 2019/815 of 17 December 2018, which states that the provisions included therein should be updated periodically on the basis of draft RTS prepared by ESMA.

This delegated act corresponds in all material respects to the draft regulatory technical standard submitted by ESMA to the Commission.

# COMMISSION DELEGATED REGULATION (EU) .../...

of 26.9.2024

## amending the regulatory technical standards laid down in Delegated Regulation (EU) 2019/815 as regards the 2024 update of the taxonomy for the single electronic reporting format

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC<sup>1</sup>, and in particular Article 4(7) thereof,

Whereas:

- (1) Commission Delegated Regulation (EU) 2019/815<sup>2</sup> specifies the single electronic reporting format to be used by issuers whose securities are admitted to trading on a regulated market for the preparation of their annual financial reports. Consolidated financial statements included therein are prepared either, in accordance with International Accounting Standards, which are commonly referred to as International Financial Reporting Standards (IFRS), adopted pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council<sup>3</sup>, or in accordance with IFRSs as issued by the International Accounting Standards Board (IASB) which, based on Commission Decision 2008/961/EC<sup>4</sup>, are considered as equivalent to IFRSs adopted pursuant to Regulation (EC) No 1606/2002.
- (2) The core taxonomy to be used for the single electronic reporting format is based on the IFRS Accounting Taxonomy and is an extension thereof. The IFRS Foundation updates the IFRS Accounting Taxonomy annually to reflect, amongst other developments, the issuance of new IFRSs, amendments to existing IFRSs, the analysis of disclosures commonly reported in practice, or improvements to general content or technology of the IFRS Accounting Taxonomy. Therefore, it is necessary to regularly

---

<sup>1</sup> OJ L 390, 31.12.2004, p.38, ELI: <http://data.europa.eu/eli/dir/2004/109/oj>.

<sup>2</sup> Commission Delegated Regulation (EU No. 2019/815 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 (OJ L143, 29.5.2019, p.1, ELI: [http://data.europa.eu/eli/reg\\_del/2019/815/oj](http://data.europa.eu/eli/reg_del/2019/815/oj)).

<sup>3</sup> Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p. 1, ELI: <http://data.europa.eu/eli/reg/2002/1606/oj>).

<sup>4</sup> Commission Decision of 12 December 2008 on the use by third countries' issuers of securities of certain third country's national accounting standards and International Financial Reporting Standards to prepare their consolidated financial statements (OJ L 340, 19.12.2008, p. 112, ELI: <http://data.europa.eu/eli/dec/2008/961/oj>).

update the regulatory technical standards to reflect the updates of the IFRS Accounting Taxonomy.

- (3) In March 2023 and March 2024, the IFRS Foundation published the updates to the IFRS Accounting Taxonomy. These updates are therefore to be reflected in Delegated Regulation (EU) 2019/815.
- (4) Annexes I, II and VI to Delegated Regulation (EU) 2019/815 should be updated to reflect those updates and provide additional guidance to issuers on tagging their financial statements. Although only certain parts of those Annexes need to be updated, it is necessary to replace those Annexes in their entirety to enhance, in particular, the readability for stakeholders of the applicable tables of the 2023 and 2024 updates. This will facilitate implementation of the tagging requirements and the highest standard of comparability of electronic financial statements drawn up in accordance with IFRS at Union and global level for end-users. Annexes III and V should also be updated to incorporate the most recent developments in the Inline XBRL specifications pertaining to Reporting Packages.
- (5) Delegated Regulation (EU) 2019/815 should therefore be amended accordingly.
- (6) To provide issuers with enough time for the effective implementation of the new requirements, and to minimise compliance costs, the new taxonomy should apply to annual financial reports containing financial statements for financial years beginning on or after 1 January 2025. However, issuers should be allowed to implement the new taxonomy for financial years beginning on or after 1 January 2024.
- (7) This Regulation is based on the draft regulatory technical standard submitted to the Commission by the European Securities and Markets Authority (ESMA).
- (8) This Regulation is a technical update to Delegated Regulation (EU) 2019/815 to reflect updates in the IFRS Accounting Taxonomy, in the Inline XBRL specifications and provide additional guidance to mark up IFRS financial statements. This Regulation does not constitute new policy or a substantial change to existing policy. ESMA has not conducted open public consultations on the draft regulatory technical standards on which this Regulation is based nor analysed the potential related costs and benefits. It has not requested the advice of the Securities and Markets Stakeholder Group established under Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council<sup>5</sup> because that would have been highly disproportionate to the scope and impact of this amendment,

HAS ADOPTED THIS REGULATION:

#### *Article 1*

Delegated Regulation (EU) 2019/815 is amended as follows:

- (1) Annex I is replaced by the text in Annex I to this Regulation;
- (2) Annex II is replaced by the text in Annex II to this Regulation;
- (3) in Annex III, point 3 is replaced by the following:

---

<sup>5</sup> Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84, ELI: <http://data.europa.eu/eli/reg/2010/1095/oj>).

- ‘3. Issuers shall submit the Inline XBRL instance document and the issuer’s XBRL extension taxonomy files as a single reporting package according to the Report Packages 1.0 specification.’;
- (4) in Annex V, point (f) is replaced by the following:
- ‘(f) be valid according to XBRL 2.1. specifications, XBRL Dimensions 1.0 specifications and be packaged according to the Reporting Package specification as set out in Annex III;’;
- (5) Annex VI is replaced by the text in Annex III to this Regulation.

## *Article 2*

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

Delegated Regulation (EU) 2019/815, as amended by this Regulation shall apply to annual financial reports containing financial statements for financial years beginning on or after 1 January 2025.

However, Delegated Regulation (EU) 2019/815 as amended by this Regulation may be applied to annual financial reports containing financial statements for financial years beginning before 1 January 2025.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 26.9.2024

*For the Commission*  
*The President*  
*Ursula VON DER LEYEN*