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ESMA integrates the 2020 IFRS taxonomy into ESEF RTS

1.0 Background

On 18 June 2020, the European Securities and Markets Authority (ESMA) published the [Final Report on the draft amendments to the Regulatory Technical Standards \(RTS\) on the European Single Electronic Format \(ESEF\)](#), hereinafter referred to as the “draft RTS”. The draft amendments are considered to be of a technical nature, in view that the objective is to incorporate the 2020 IFRS taxonomy published by the IFRS Foundation on 16 March 2020. The said amendments follow the 2019 update to the ESEF taxonomy needed to reflect the 2019 IFRS taxonomy.

2.0 Content

Given that the ESEF taxonomy is based on the IFRS taxonomy, the rationale of the draft RTS is for the ESEF RTS¹ to evolve in line with the updates being made to the applicable reporting standards. In this regard, the IFRS consolidated financial statements would be tagged using the most relevant ESEF taxonomy.

The draft RTS amends or substitutes Annex I and Annex VI of the ESEF RTS to reflect updates as per the 2020 IFRS taxonomy. Whilst early application is allowed, the relevant amendments to the ESEF RTS are mandatorily applicable for financial years beginning on or after 01 January 2021. Hence, for annual financial reports including financial statements beginning on or after 01 January 2020, Issuers will be allowed to use either the 2019 ESEF taxonomy or the 2020 ESEF taxonomy as put forward by the draft RTS. ESMA highlights that whilst Issuers have a choice to early apply the 2020 ESEF taxonomy, the draft RTS does not foresee the possibility to use the 2019 and the 2020 ESEF taxonomies concurrently for one ESEF filing.

3.0 Next Steps

The draft RTS has been submitted to the European Commission (EC) for approval, whereby EC has three months to decide whether to endorse the technical standard. The draft RTS will continue to be amended annually in order to reflect updates made to the IFRS taxonomy.

Contacts

Should you have any queries relating to the above, kindly contact the Authority on esef.malta@mfsa.mt

¹ Commission Delegated Regulation n. 2019/815 as updated by Commission Delegated Regulation n. 2019/2100.