

03 March 2021

Amendments to Chapter 5 and Chapter 8 of the Listing Rules – Postponement of the ESEF Requirements by One Year

1.0 Background

This Circular should be read in conjunction with preceding circulars issued by the Authority on the European Single Electronic Format (“ESEF”), particularly Section 2.0 *Effective date of application of ESEF requirements* of the [Circular dated 24 December 2020](#), and the additional clarification by way of [Circular dated 27 January 2021](#).

In this respect, in view of the Capital Markets Recovery Package in response to COVID-19, on 16 December 2020, EU ambassadors endorsed targeted amendments, including an amendment to the [Transparency Directive](#) (the “Directive”)¹. The endorsed amendment to the Transparency Directive allows Member States to delay by one year the application of the ESEF requirements for listed companies’ annual financial reports.

Further to the subsequent formal endorsement of the amendments by the European Parliament and the Council of the European Union, [Regulation \(EU\) 2021/337](#) (the “Regulation”)², including an amendment to the Transparency Directive relating to the one-year delay of the ESEF requirements, was published in the Official Journal of the European Union on 26 February 2021.

2.0 Amendment to the Transparency Directive

The amendment to the Transparency Directive allows for Member States to postpone the application of the requirement to prepare and disclose annual financial reports using the single electronic reporting format by one year. In this regard, in Article 4(7) of the Directive, the first subparagraph is replaced by the following:

QUOTE

“7. For financial years beginning on or after 1 January 2020, all annual financial reports shall be prepared in a single electronic reporting format provided that a cost-benefit analysis has been undertaken by the European Supervisory Authority (European Securities and Markets Authority) (ESMA) established by Regulation (EU) No 1095/2010 of the European Parliament and of the Council. However, a Member State may allow issuers to apply that reporting requirement for financial years beginning on or after 1 January

¹ Directive 2013/50/EU of the European Parliament and of the Council of 22 October 2013 amending Directive 2004/109/EC of the European Parliament and of the Council on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, Directive 2003/71/EC of the European Parliament and of the Council on the prospectus to be published when securities are offered to the public or admitted to trading and Commission Directive 2007/14/EC laying down detailed rules for the implementation of certain provisions of Directive 2004/109/EC.

² Regulation (EU) 2021/337 of the European Parliament and of the Council of 16 February 2021 amending Regulation (EU) 2017/1129 as regards the EU Recovery prospectus and targeted adjustments for financial intermediaries and Directive 2004/109/EC as regards the use of the single electronic reporting format for annual financial reports, to support the recovery from the COVID-19 crisis.

2021, provided that that Member State notifies the Commission of its intention to allow such a delay by 19 March 2021, and that its intention is duly justified.”

UNQUOTE

3.0 Amendments to the Listing Rules

Following the publication of the Regulation in the Official Journal of the European Union, specifically the amendment to Transparency Directive outlined in Section 2.0 of this Circular, the Listing Rules are amended as follows:

[A] Listing Rule 5.56A

Listing Rule 5.56A is amended to specify that Listed Entities, subject to the requirements of Chapter 5 of the Listing Rules, shall prepare Annual Financial Reports in ESEF for financial statements for financial years beginning on or after 01 January 2021.

QUOTE

5.56A Without prejudice to Listing Rule 5.56, with effect from 1 January 2020 all Annual Financial Reports containing financial statements for financial years beginning on or after 1 January 2020 may be entirely prepared in a single electronic reporting format.

Provided that with effect from 1 January 2021 all Annual Financial Reports containing financial statements for financial years beginning on or after 1 January 2021 shall be entirely prepared in a single electronic reporting format.

UNQUOTE

[B] Listing Rule 8.114.6

Listing Rule 8.114.6 is amended to specify that closed ended collective investment schemes, subject to the requirements of Chapter 8 of the Listing Rules, shall prepare Annual Financial Reports in ESEF for financial statements for financial years beginning on or after 01 January 2021.

QUOTE

8.114.6 Without prejudice to any of the above, with effect from 1 January 2020 all Annual Financial Reports containing financial statements for financial years beginning on or after 1 January 2020 may be entirely prepared in a single electronic reporting format.

Provided that with effect from 1 January 2021 all Annual Financial Reports containing financial statements for financial years beginning on or after 1 January 2021 shall be entirely prepared in a single electronic reporting format.

UNQUOTE

4.0 Amended Listing Rules

The Revised Listing Rules are annexed to this Circular.

5.0 Effective Date

As per the Authority's Circular dated 27 January 2021, the Authority reiterates that in view of the one-year postponement of ESEF requirements, issuers shall prepare the Annual Financial Report in a single electronic reporting format for financial statements for financial years beginning on or after 01 January 2021. In this regard, Malta has duly notified the European Commission that it has opted for the one-year ESEF postponement³.

The amended Listing Rules shall be applicable on the twentieth day following the publication of the Regulation in the Official Journal of the European Union.

Contacts

Any queries or request for clarifications in respect of the above should be submitted on email address esef.malta@mfsa.mt.

³ For a list of Member States operating for a one-year ESEF postponement, kindly refer to the following link: https://ec.europa.eu/info/publications/201211-esef-postponement_en