

02 June 2021

ESMA Integrates the 2021 IFRS Taxonomy into the ESEF RTS

1.0 Background

The European Securities and Markets Authority (“ESMA”) published the [Final Report on the draft Regulatory Technical Standards](#) (hereinafter referred to as the “draft RTS”)¹, dated 25 May 2021, amending [Commission Delegated Regulation \(EU\) 2019/815](#) (hereinafter referred to as the “ESEF RTS”)².

Similar to amendments made to the RTS on the European Single Electronic Format (“ESEF”) in preceding years, the publication of the Final Report on the draft RTS aims to reflect the latest version of the International Financial Reporting Standards (“IFRS”) taxonomy, as published by the IFRS Foundation on 24 March 2021.

2.0 Content

Given that the ESEF taxonomy is based on the IFRS taxonomy, the rationale for the draft RTS is for the ESEF RTS to evolve in line with the updates being made to the applicable reporting standards. In this regard, the draft RTS amends or substitutes the relevant Annexes of the ESEF RTS to reflect updates as per the 2021 IFRS taxonomy. Therefore, the draft RTS provides for the IFRS consolidated financial statements to be tagged using an ESEF taxonomy which is up-to-date with the IFRS. Moreover, the draft RTS includes further guidance to preparers, as also made available by the IFRS Foundation, to facilitate the marking-up of financial statements.

Whilst early application is allowed, the relevant amendments to the ESEF RTS are mandatorily applicable for financial years beginning on or after 01 January 2022. Hence, for annual financial reports including financial statements beginning on or after 01 January 2021, issuers will be allowed to use either the 2020 ESEF taxonomy or the 2021 ESEF taxonomy as put forward by the draft RTS. ESMA highlights that whilst Issuers have a choice to early apply the 2021 ESEF taxonomy, the draft RTS does not foresee the possibility to use the 2020 and the 2021 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 the EC has three months to decide whether to endorse the technical standard. The draft RTS will continue to be amended in order to reflect updates made to the IFRS taxonomy accordingly.

¹ Final Report on the draft RTS amending Delegated Regulation (EU) 2019/815 as regards the 2021 update of the taxonomy laid down in the RTS on ESEF, ESMA 32-60-727, dated 25 May 2021.

² Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regards to regulatory technical standards on the specification of a single electronic reporting format.

4.0 Contacts

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