

# European Single Electronic Format



*Frequently Asked Questions*

THIS DOCUMENT IS SOLELY INTENDED FOR ITS USERS' GENERAL GUIDANCE AND SHOULD NEITHER BE CONSIDERED NOR CONSTRUED AS ADVICE OR IN ANY WAY A COMMITMENT ON THE PART OF THE MFSA. SHOULD A CONFLICT ARISE BETWEEN THIS DOCUMENT AND THE APPLICABLE LAWS, REGULATIONS, RULES OR GUIDANCE NOTES, THE LAWS, REGULATIONS, RULES OR GUIDANCE NOTES SHALL PREVAIL. THIS FAQ IS INTENDED TO ADDRESS THE MOST COMMON QUERIES WHICH ARE RAISED TO THE AUTHORITY BY INTERESTED PARTIES.

# Background

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*In terms of the applicable regulation on the European Single Electronic Format (“ESEF”)<sup>1</sup>, issuers must prepare Annual Financial Reports (“AFRs”) containing financial statements for financial years beginning on or after 01 January 2021 in a single electronic reporting format.*

This document is the second publication of Frequently Asked Questions (“FAQs”) issued by the Authority in relation to ESEF (“Publication 2.0”).

The purpose of this publication is to guide issuers in the implementation of ESEF as it provides an overview of frequently asked questions. The FAQs focus on the processes that may be applicable when testing, uploading, lodging, validating, and publishing ESEF AFRs. The document is targeted towards issuers and any service providers assisting issuers in the ESEF implementation.

The FAQs may be categorised into three parts:

- **Part I:** Access and Use of the Test and Live Environment [**FAQ 1 – FAQ 7**]
- **Part II:** Validations and Feedback File [**FAQ 8 – FAQ 12**]
- **Part III:** Matters relating to Publication [**FAQ 13 – FAQ17**]

The content of this document may be updated, revised or enhanced over time, where required. The date on which this publication was last amended is included in the **Revisions Log** section on page 5, for ease of reference. In addition, a new set of FAQs may be published as necessary. An overview of all available publications is included in the **Publications Log** section on page 5, for ease of reference.

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<sup>1</sup> Article 4 of the [Transparency Directive](#) (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) and the [Regulatory Technical Standard on ESEF](#) (Commission Delegated Regulation (EU) 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).

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## Publication Log

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## Revisions Log

<b>Revision</b>	<b>Date Issued</b>	<b>Details</b>
2.0	25 March 2022	Version 1 of Publication 2.0

## FAQ 1 – What is the difference between the Test Environment and the Live Environment?

The ESEF **Test Environment** aims to simulate as far as practicable the upload and validation process of Annual Financial Reports (“AFR”) in ESEF through the Live Environment.

The ESEF **Live Environment**, also known as the LH Portal, is the actual platform used for lodging AFRs with the MFSA as soon as they have been approved by the directors, for publication purposes through the Officially Appointed Mechanism (“OAM”)<sup>2</sup>.

It may be noted that the Test Environment is a standalone system independent from the Live Environment. In fact, there are two separate links:

Environment	Reference	Purpose	Link
Test Environment	Test Portal	Testing	<a href="https://testlhportalexternal.mfsa.mt/">https://testlhportalexternal.mfsa.mt/</a>
Live Environment	LH Portal	Publication	<a href="https://lhportal.mfsa.mt/">https://lhportal.mfsa.mt/</a>

Even though the user-interface is an exact replica, an upload in the Test Environment shall be carried out for testing validations only and it does not in any way replace or override the ESEF requirements, including the requirement to lodge the AFR in ESEF through the ESEF Live Environment.

When uploading files, users must ensure that the correct link is being used.

## FAQ 2 – Who could be granted access to the Test Environment and the Live Environment?

Access to the ESEF project within Test Portal and LH Portal is provided to designated person/s for each issuer. One of the designated person/s is typically the company secretary.

Please note the following:

- For all issuers, the Company Secretary shall be granted access to the Live Environment;
- Issuers may elect additional persons to be granted access. Such persons must be employed within the organisation and are generally expected to hold an executive or managerial role;
- Persons who have access to the Live Environment may not necessarily be the same as those granted access to the Test Environment<sup>3</sup>, however we would

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<sup>2</sup> The Malta Stock Exchange is the Officially Appointed Mechanism in Malta.

<sup>3</sup> It is at the discretion of the issuer to decide who shall be granted access, as long as the designated person is employed with the organisation.

recommend that the person testing the system is the same person who will be accessing the live environment;

- The Issuer must ensure that the Authority is informed of any changes in persons being granted access, by sending an email to: [esef.malta@mfsa.mt](mailto:esef.malta@mfsa.mt), to ensure that user profiles are enabled/disabled accordingly.

## FAQ 3 – How could a designated person be granted access to the Test Environment and the Live Environment?

### 3.A Account Creation

New users are requested to Register, before requesting for access. Registration can be done through the respective portal by clicking on 'Register' as shown below.



Figure 1: Registration on Live Environment

Upon registration, users shall request for access to be able to link their account with the Issuer's profile, in terms of **Section 3.B** as follows.

### 3.B Access Request

In order to be granted the necessary permissions, designated persons shall request for access to the following email address: [esef.malta@mfsa.mt](mailto:esef.malta@mfsa.mt).

In the email, please include the following information:

Whether access required for the Test Environment, Live Environment or both
Name of Issuer
Name and Surname of Designated Person/s
Designation (position held with the Issuer)
Email Address of Designated Person/s

Once the account has been activated, a notification will be sent via email confirming that the user has been granted access to the European Single Electronic Format project, for the respective issuer.

#### **FAQ 4 – Why should the Test Environment be used?**

The Authority highly encourages issuers to test their ESEF AFRs, prior to publication.

This is especially important for issuers preparing ESEF AFRs which contain tagging, as certain validation errors and warnings related to the XBRL element of the file, may lead to invalid file uploads.

Testing files will help prevent there being any issues on the day of publication. In this regard, issuers are reminded of their obligation in terms of CMR 5.56 to publish their AFR *as soon as they have been approved*.

#### **FAQ 5 – How are files uploaded through the Test and Live Environment?**

The Authority has issued [Guidelines for Issuers to Upload and Review Reporting Data through the LH Portal](#) as per link.

The Guidelines are intended to assist users when uploading ESEF AFRs through the LH Portal.

A copy of such Guidelines could be found on the MFSA website as follows:

<https://www.mfsa.mt/firms/capital-markets/european-single-electronic-format/preparation-documents/>

#### **FAQ 6 – What should I do if I have forgotten my login password for the Test Environment, Live Environment or both?**

If users have forgotten their login password, this could be reset by clicking 'Forgot Password' when logging-in to the respective portals.

*Kindly note that, for both Test and Live Environment, the username shall be the individual's email address to which the account has been linked.<sup>4</sup>*

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<sup>4</sup> Should there be a change in the email address of a specific user, kindly inform us by sending an email to [esef.malta@mfsa.mt](mailto:esef.malta@mfsa.mt), to update our records accordingly.

## FAQ 7 – What is the File Naming Convention? Where could I find the LH Code and LEI Code?

When uploading AFRs in ESEF, issuers must ensure that these are packaged in a .zip folder.

For upload purposes, the ESEF Reporting Package shall take a specific file name, which must comply with the following File Naming Convention:

**LHCode\_YYYYMMDD\_FS\_Report\_LEICode.zip**

For more information on the File Naming Convention please refer to Section 2.2 'File Naming Convention' of the [Guidelines](#).

In any case, Issuers may refer to the example provided on the right-hand side of the 'File Uploads' page of the LH Portal, as illustrated in the image below.

The screenshot shows the 'File Uploads' page of the LH Portal. On the left is a navigation menu with options: My Account, Apply for a Licence, Application Submissions, File Uploads (highlighted), User Logs, PQ, and Contact Us. The main content area has a header 'File Uploads' and a note: 'Use the feature below to upload files to the MFSA server. It is important that all file names are in the appropriate convention.' Below this are two dropdown menus: 'Licence Holder' set to 'ABC P.L.C.' and 'Project' set to 'European Single Electronic Format'. There is a 'Files:' section with a 'Choose File' button (showing 'No file chosen'), an '+ Add' button, and an 'Upload File(s)' button. On the right, a 'Guidelines on File Naming Convention' box contains the following text: 'Required format: LHCode\_YYYYMMDD\_FS\_Report\_LEICode.zip'. A bulleted list explains: 'LHCode: Issuer's unique LH Portal Code as illustrated in the example below'; 'YYYYMMDD: Accounting Reference Date, whereby "YYYY" is the year in the full 4-digit number of the respective referenced year, "MM" is the 2-digit number of the referenced month and "DD" is the 2-digit number of the referenced day'; 'FS: "IND" for individual financial statements and "CON" for consolidated financial statements'; 'Report: Reference to the type of Report being uploaded, whereby "AFR" refers to uploaded report being the Annual Financial Report'; 'LEI Code: Issuer's unique LEI Code as illustrated in the example below'. Below the list, an 'Example:' section is highlighted with a red box, showing: 'Individual Report Example: ABC\_20201231\_IND\_AFR\_2594007XIACKN MUAW223.zip' and 'Consolidated Report Example: ABC\_20201231\_CON\_AFR\_2594007XIA CKNMUAW223.zip'.

Figure 2: File Naming Convention - Example

Issuers may copy and paste the file name from the example that is generated through the LH Portal, depending on whether the file is prepared on an individual basis (IND) or consolidated basis (CON).

The **LH Code** and **LEI Code** are unique to each issuer and are automatically generated in the 'Example' section as highlighted above.

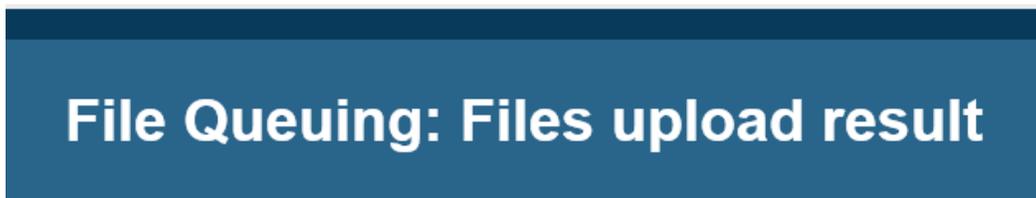
Please also note that the **Date** included in the file name should take the format: YYYYMMDD and should refer to the Financial Year End.

## **FAQ 8 – I have just uploaded the ESEF File through the Test Environment. How long is the validation process? How would I know if the file has been validated?**

Validation is an automatic process which should take minutes or in some cases seconds.<sup>5</sup>

Once the ESEF file has been uploaded, it is automatically processed through the validation tool, resulting in either a successful upload or a failed upload.

Issuers would be notified of the result via email entitled '**File Queuing: Files Upload Result**' as follows:



### **File Queuing: Files upload result**

The upload result of the following file(s)  
ABC\_20210419\_CON\_AFR\_2594007XIACKNMUAW223.zip is:

Uploaded successfully (Select the name  
'ABC\_20210419\_CON\_AFR\_2594007XIACKNMUAW223\_20210614160438751.zip' on the MSE  
website to upload the file).

Figure 3: Successful Upload



### **File Queuing: Files upload result**

The upload result of the following file(s)  
ABC\_20211201\_CON\_AFR\_2594007XIACKNMUAW223.zip is:

File failed during validation process. You can download the Validation feedback from the User  
Logs page on LH Portal.

Figure 4: Failed Upload for Consolidated AFRs

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<sup>5</sup> Should this not be the case, please send us an email to [esef.malta@mfsa.mt](mailto:esef.malta@mfsa.mt).

## **8.A For Issuers preparing Consolidated Financial Statements**

For both successful and failed uploads, Issuers preparing their ESEF AFRs on a **consolidated basis**, are encouraged to download the Feedback File<sup>6</sup> to check for any pending errors or warnings. The Issuer would be required to examine the Feedback File and resolve any significant errors/warnings contained in the file which may cause, for instance, invalidation of the file or failure to load the inline viewer. More information on the Feedback Files is provided in **FAQ 9**.

It may be noted that although the **consolidated** ESEF file appears to be successfully uploaded, it does not imply that the file is free from errors or warnings due to the XBRL components of such ESEF AFRs. In such cases, it is recommended that the Feedback File is downloaded, and its content is examined in terms of **FAQ 9** and **FAQ 10**.

## **8.B For Issuers preparing Non-Consolidated Financial Statements**

For non-consolidated ESEF AFRs, which have not been tagged, users are able to confirm that an upload of the ESEF file has been successful by checking:

1. That the notification that is received via email states that the file has been 'Uploaded Successfully'; or
2. That the 'Status' of the upload on the 'User Logs' Section of the LH Portal reads 'File Uploaded to MFSA'.

## **FAQ 9 – What is the purpose of the Feedback File? How could I access it?**

The Feedback File is generated specifically for issuers who prepare their ESEF Annual Financial Reports including XBRL tagging. It provides a report of all validation assertions made to the XBRL element of the ESEF AFR.

### **9.A For Issuers preparing Consolidated Financial Statements**

To access the Feedback File:

1. Log-in to the LH Portal;
2. Click on 'User Logs';
3. Click on the download button on the right-hand side of your screen;

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<sup>6</sup> Refer to **FAQ 9**.



## **FAQ 10 – How could I check whether the ESEF File is readable through the Inline Viewer?**

To confirm whether the Inline Viewer is being generated:

1. Download the Feedback File;
2. Unzip the folder;
3. Check for the presence of the file “**inline.viewer.js**”.

If the ‘inline.viewer.js’ file is not present in the folder, this implies that there are warnings which have resulted in a failure to generate the inline viewer.

In such cases, the issuer shall refer to the file name ending “**index.html**” which should provide a list of warnings which have resulted from the validation.

Issuers would need to follow the following steps:

1. amend the ESEF File to fix any warnings which are causing a failure to load the file;
2. reupload the revised ESEF File through the Test Environment;
3. download and unzip the Feedback File;
4. check for the presence of the inline viewer.

This step is necessary when testing as certain warnings are causing technical issues when viewing the AFRs through the inline viewer. When material warnings are present, it may result in a situation where the inline viewer is not generated. Consequently, the ESEF AFR may not be passed on to the OAM and it would not be possible to view the Annual Financial Report, upon publication.

## **FAQ 11 – Why is the Feedback File not generated?**

### **11.A For Issuers preparing Consolidated Financial Statements**

There are certain situations where the ESEF AFR is invalid, and no Feedback Report is generated. This means that the file contains a significant file loading error, resulting in an immediate rejection of the file to the extent that no feedback is provided.

In such circumstances, Issuers are requested to review the content of the ESEF file for potential errors, otherwise, contact your service provider for more information.

### **11.B For Issuers preparing Non-Consolidated Financial Statements**

Please refer to **FAQ 9.B** above.

## **FAQ 12 – The ESEF AFR was successfully uploaded and validated through the LH Portal. Does this mean that the file does not contain errors?**

Even though a file is successfully validated through the LH Portal and a notification confirming this is received, Issuers should be aware of potential errors and warnings which may still be present within the ESEF Reporting Package.<sup>7</sup>

In order to check for the existence of pending errors or warnings, the following steps shall be taken:

1. Download the Feedback File from the 'User Logs' Page of the LH Portal
2. Unzip the Feedback File and access:
  - a. the Taxonomy Index File i.e. file ending "index.html", for warnings  
`Taxonomy_index.html`
  - b. the Instance Validation Report i.e. file ending "VALIDATION-RES.html", for errors  
`.xsd_VALIDATION-RES.html`

Issuers are expected to review any significant warnings or errors and revise the ESEF AFR accordingly. Nonetheless, it is noted that, depending on the nature of the warnings or errors, the ESEF AFR may still be made public in view of the successful validation.

## **FAQ 13 – On the day of Board approval, what is the publication process to be followed?**

The Authority has issued a Circular dated 31 January 2022 which provides [Guidance on Lodging and Publication of European Single Electronic Format \("ESEF"\) Annual Financial Reports](#).

The publication process involves the:

1. Upload of the ESEF Reporting Package through the **LH Portal**<sup>8</sup>
2. Upload of Company Announcement through the **MSE Portal**<sup>9</sup>

It is highlighted that the ESEF AFR will not be made public until issuers complete both steps outlined above.

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<sup>7</sup> Errors and Warnings relate to XBRL related elements. Therefore, this FAQ applies to issuers who have tagged their ESEF AFRs.

<sup>8</sup> LH Portal: <https://lhportal.mfsa.mt/>

<sup>9</sup> MSE Portal: <https://portal.borzamalta.com.mt/Account/Login?ReturnUrl=%2Fdefault.aspx>

## FAQ 14 – How are ESEF Reports signed?

In Malta, the approach taken to sign off ESEF Annual Financial Reports is explained in the Authority's [Circular dated 27 January 2022](#).

In summary, issuers shall be required to:

**1. Download a copy of the format of the Directors' Declaration;**

A copy of the Declaration can be accessed from the Authority's website as follows:

<https://www.mfsa.mt/firms/capital-markets/european-single-electronicformat/preparation-documents/>.

**2. Prepare the Directors' Declaration by amending the content accordingly;**

The content shall be tailored to the circumstances of the issuer.

**3. Sign the Directors' Declaration by at least two directors;**

The Declaration should be signed by the same Directors who will sign off the financial statements.

For MFSA purposes, there is no specific requirement on the type of signature to be used.<sup>10</sup> Directors may sign in wet-ink or using an electronic signature.

**4. Attach the Directors' Declaration as part of the Company Announcement wherein the AFR is published.**

For MFSA purposes, publication through a Company Announcement shall suffice and there is no requirement to submit the original Declaration to the Authority.<sup>11</sup> Please note that the Directors' Declaration shall not be included in the ESEF Reporting Package.

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<sup>10</sup> For issuers Registered in Malta, please ensure that the type of signature being used is acceptable by the Malta Business Registry (MBR).

<sup>11</sup> For issuers Registered in Malta, please ensure that the Directors' Declaration is submitted with the MBR in terms of the [Notice on the Filing Procedure applicable to AFRs under ESEF](#).

## **FAQ 15 – What is the publication deadline? Could the ESEF File be submitted at a later date?**

Issuers shall publish their Annual Financial Report in terms of the requirements of the Capital Markets Rules (CMRs), in particular, CMR 5.56 states that:

### **QUOTE**

*5.56 An Issuer must ensure that its Annual Financial Report is made available to the public **as soon as it has been approved by the Directors**. The Annual Financial Report shall be approved, **lodged with the MFSA for Validation** in terms of Capital Markets Rule 5.56A, and **made available to the public** by not later than four (4) months after the end of each financial year, and shall remain publicly available for a period of at least ten (10) years.*

### **UNQUOTE**

It should be noted that the ESEF Regulation has introduced formatting requirements for AFRs, but has *not* changed any other related requirements, including the publication deadline.

Since the official version of the AFR must be prepared in ESEF, the only report that will be deemed to satisfy the requirement of the CMRs must be prepared in ESEF Format.

In terms of CMR 5.56:

- the Annual Financial Report in ESEF should be lodged with the MFSA and made available to the public as soon as it is approved by the directors; and
- the publication deadline for issuers shall not exceed four months after the financial year end.

In view that the ESEF Regulation has not changed the publication deadline, issuers are reminded to factor in the new ESEF requirements when deciding on the publication date of the ESEF AFR. In this regard, issuers are strongly urged to submit their ESEF AFRs on the Test and Live Environments without any unnecessary delays in order to ensure that the publication deadline is met.

## **FAQ 16 – The Issuer usually distributes printed copies of the Annual Financial Report. Is this possible with ESEF?**

In terms of the ESEF Regulation, only the AFR in the European Single Electronic Format shall be deemed to be the official version.

Any AFR which is not prepared in line with ESEF, shall be considered as an unofficial version of the AFR.

The unofficial version of the AFR must include a **disclaimer**, which shall be made clear, by way of example, by presenting it on the title page or the contents page or any general information page of the AFR.

In terms of content, the disclaimer should highlight and clearly state that the printed

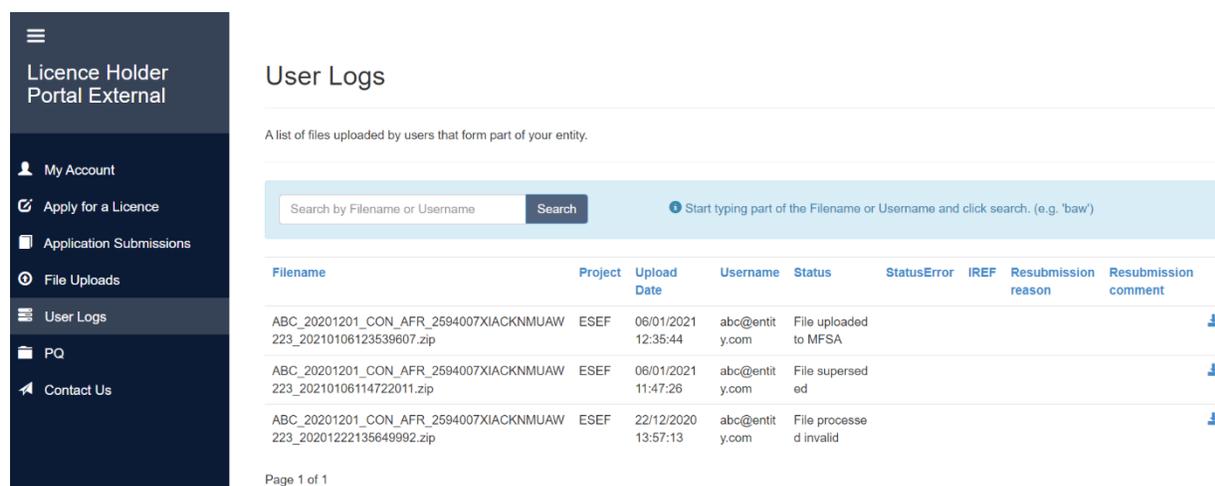
report is **not the official AFR**, and it should **include a reference or link** to the *official version* of the AFRs in ESEF. Furthermore, it is also recommended to clearly state that the **ESEF version prevails** in case of any conflicts.

## FAQ 17 – How could the Annual Financial Report be presented on the issuers’ website?

### 17.A For Issuers preparing Consolidated Financial Statements

Issuers may link to the Inline Viewer, directly on the Website in order to present the official version of the ESEF AFR.

Following a successful upload of the ESEF Reporting Package (i.e. the .zip folder containing ESEF related links) on the LH Portal, the issuer may download the ‘Feedback File’ by clicking on the download icon (on the far right of the screen) from the ‘User Logs’ section as per screenshot below:



The screenshot displays the 'User Logs' interface. On the left is a dark sidebar with navigation options: My Account, Apply for a Licence, Application Submissions, File Uploads, User Logs (highlighted), PQ, and Contact Us. The main content area is titled 'User Logs' and includes a search bar with the text 'Search by Filename or Username' and a 'Search' button. Below the search bar is a table with the following data:

Filename	Project	Upload Date	Username	Status	StatusError	IREF	Resubmission reason	Resubmission comment
ABC_20201201_CON_AFR_2594007XIACKNMUAW 223_20210106123539607.zip	ESEF	06/01/2021 12:35:44	abc@entit y.com	File uploaded to MFSA				<a href="#">Download</a>
ABC_20201201_CON_AFR_2594007XIACKNMUAW 223_20210106114722011.zip	ESEF	06/01/2021 11:47:26	abc@entit y.com	File supersed ed				<a href="#">Download</a>
ABC_20201201_CON_AFR_2594007XIACKNMUAW 223_20201222135649992.zip	ESEF	22/12/2020 13:57:13	abc@entit y.com	File processe d invalid				<a href="#">Download</a>

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Please make sure that the downloaded feedback file, relates to the correct AFR i.e. the latest upload (which could be identified through the Filename and Upload Date). Once the Feedback File has been downloaded, and the folder is open, you will be presented with a number of files as shown in the screenshot below.

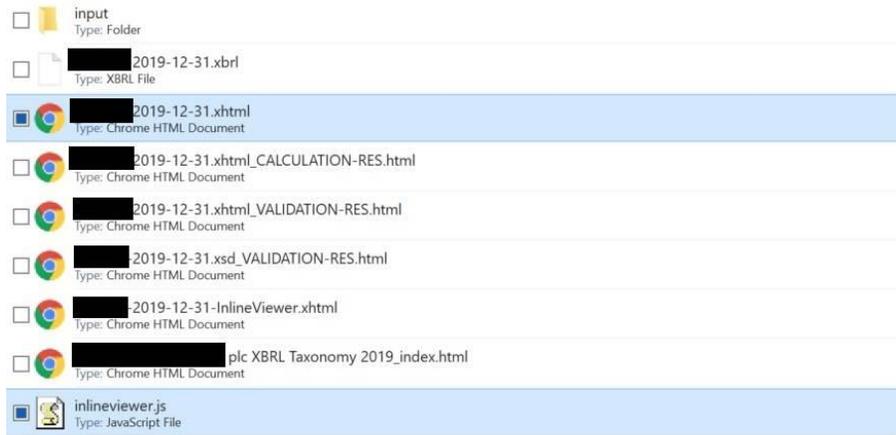


Figure 7: Feedback File Content

In order to present the inline viewer on the issuers' website, please select the files ending '.xhtml' and 'inlineviewer.js', as highlighted in blue above. These may be embedded on the issuers' website by way of link, and it would allow users to access the ESEF Annual Financial Report immediately via link.

Should the issuer present the AFR in any format, other than ESEF, the 'unofficial version' shall include a disclaimer as described in **FAQ 16**.

### 17.B For Issuers preparing Non-Consolidated Financial Statements

For issuers preparing individual financial statements, which have not been voluntarily tagged, the Issuer may embed the .xhtml file within the Issuers' website.