

31 October 2022

ESMA Public Statement – European Common Enforcement Priorities for 2022 Annual Financial Reports

1.0 Background

The Authority would like to draw your attention to the [Public Statement](#) issued by the European Securities and Markets Authority ('ESMA') on 28 October 2022 (hereinafter referred to as the 'Public Statement').

The Public Statement, issued on an annual basis, details the European common enforcement priorities relating to the 2022 Annual Financial Reports ("AFRs") of listed companies. The priorities reflect the main topics that European enforcers will consider during the examination of the 2022 AFRs, specifically when monitoring and assessing the application of the applicable reporting framework as well as other relevant requirements.

The Public Statement addresses three main priorities:

- Climate-related matters
- Direct financial impacts of Russia's invasion of Ukraine
- Macroeconomic environment

In the case of non-financial statements, the main priorities are:

- Climate-related matters
- Disclosures relating to Article 8 of the Taxonomy Regulation
- Reporting scope and data quality

Other Considerations

Alternative Performance Measures

ESMA reminds issuers that some subtotals included within the primary financial statements or in the notes are within the scope of the Guidelines if those are included simultaneously also outside the financial statements. Therefore, ESMA expects issuers to comply with the Guidelines if they decide to include such subtotals in their management report, ad hoc disclosures and/or prospectuses.

European Single Electronic Format (ESEF)

ESMA reminds issuers that, starting from financial year 2022, disclosures included in IFRS consolidated financial statements shall be marked up, as a minimum, with the elements contained in Annex II of the RTS on ESEF, on block tagging. Issuers are encouraged to consult the update to the ESEF Reporting Manual where users can now find a new section on block tagging.

2.0 Next Steps

ESMA and European national enforcers will monitor and supervise the relevant requirements outlined in the Public Statement. ESMA will collect data from national enforcers concerning the reviews on the respective listed companies and any subsequent corrective action. In this regard, a report on the 2023 enforcement activities would be published in due course.

Contacts

Should you have any queries regarding the above, please do not hesitate to contact us on transparency@mfsa.mt or esef.malta@mfsa.mt.