

# Reply form

**Consultation Paper on the Regulatory Technical Standards (RTS) on the European Single Electronic Format (ESEF) defining marking up rules for sustainability reporting and revising the marking up rules for the Notes to the IFRS consolidated financial statements and, on the amendments to the RTS on the European Electronic Access Point (EEAP)**

## Responding to this paper

ESMA invites comments on all matters in the Consultation Paper and in particular on the specific questions in this reply form. Comments are most helpful if they:

- respond to the question stated;
- indicate the specific question to which the comment relates;
- contain a clear rationale; and
- describe any alternatives ESMA should consider.

ESMA will consider all comments received by **31 March 2025**.

## Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

- Insert your responses to the questions in the Consultation Paper in this reply form.
- Please do not remove tags of the type <ESMA\_QUESTION\_ESEFEEAP\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
- If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
- When you have drafted your responses, save the reply form according to the following convention: ESMA\_ESEFEEAP\_nameofrespondent.

For example, for a respondent named ABCD, the reply form would be saved with the following name: ESMA\_ESEFEEAP\_ABCD.

- Upload the Word reply form containing your responses to ESMA's website (**pdf documents will not be considered except for annexes**). All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading 'Your input - Consultations'.

## **Publication of responses**

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

## **Data protection**

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the headings 'Legal notice' and heading '[Data protection](#)'.

## 1. General information about respondent

Name of the company / organisation	Deutsches Aktieninstitut		
Are you representing an association?	<input checked="" type="checkbox"/>		
Country/Region	Germany		
Activity	<input type="checkbox"/>	Information provider (issuer, undertaking or preparer) of corporate reports subject to digitalisation requirements in the EU	<input type="checkbox"/> Public interest entity (entities governed by the law of an European Union Member State whose transferable securities are admitted to trading on a regulated market of any Member State; (ii) credit institutions; (iii) insurance undertakings, or (iv) entities designated by Member States as public-interest entities)
			<input type="checkbox"/> Non-public interest entity (large non-listed EU company, including large EU company with securities only listed outside EU regulated markets)
			<input type="checkbox"/> Non-public interest entity (large non-EU company with securities listed in EU regulated markets)
			<input type="checkbox"/> Non-public interest entity (SME listed in EU regulated markets)
			<input type="checkbox"/> Other (provide comment): Click here to enter text.
	<input type="checkbox"/>	User of digitalised corporate reporting from EU companies	<input type="checkbox"/> Investor
			<input type="checkbox"/> Data analyst
			<input type="checkbox"/> Data aggregator
			<input type="checkbox"/> Asset manager
			<input type="checkbox"/> Other (provide comment): Click here to enter text.
<input type="checkbox"/>	Software provider		
<input type="checkbox"/>	Auditor of corporate reporting subject to digitalisation requirements in the EU		
<input checked="" type="checkbox"/>	Other (provide comments)	Industry association	

## 2. Questions

### 1.1. Marking up sustainability reporting

**Question 1:** Do you agree with the assessment framework and the manner in which the various elements and factors are to be considered in developing the marking up rules and the phased approach? If not, please explain your reasons and suggest any elements or factors that should be added or removed, or propose sound alternative assessment frameworks.

<ESMA\_QUESTION\_ESEFEEAP\_01>

With the first Omnibus package, the European Commission has introduced proposals aimed at simplifying EU regulations, including those related to sustainability reporting. The European Commission has set a goal to reduce the administrative burden on EU businesses by at least 25 percent as part of its simplification efforts. To achieve these goals, we strongly urge that the promised reduction in bureaucracy be fully implemented and that XBRL tagging be immediately eliminated for financial and sustainability reporting. By eliminating the tagging requirement, bureaucracy would be reduced without compromising the quality of reporting. In our experience, XBRL files are not being used by investors as they prefer PDF documents for their information. Furthermore, given the rapid advancements in AI technology, the XBRL system, which was already outdated when it was first introduced, is now obsolete and serves as a significant source of complexity and additional work. AI tools can nowadays extract the same information for a fraction of the cost.

Experience furthermore shows that the iXBRL tagging exercise is complex, time-consuming and significantly burdensome. It also draws significantly on corporates' and auditors' resources during the critical time of preparing and auditing the yearly accounts. Furthermore, it creates additional legal and other risks for issuers. XBRL tagging is challenging when making late changes, prone to errors, and even a minor mistake necessitates restarting the Board approval process, risking non-compliance with the strict deadlines of the annual reporting cycle.

Dropping the iXBRL tagging obligation for both financial and non-financial reporting would thus be a significant step forward in reducing regulatory burden without negatively impacting investors.

<ESMA\_QUESTION\_ESEFEEAP\_01>

**Question 2:** Do you agree with the phased approach and the proposed timeline? Do you concur that the first phase should be implemented for the same financial year or the following financial year depending on the publication date of amendments to the RTS on ESEF in the OJ (before or after 30 June of the given year)? If not, please provide your reasons and suggest any well-founded alternative timelines for implementation.

<ESMA\_QUESTION\_ESEFEEAP\_02>

No.

Specifically: In any case the proposed phasing in is much too fast and far reaching. Implementation of a set of completely new requirements regarding sustainability information would in the best case scenario take 18 months at the minimum counted from the publication of the delegated act in the OJ, so that even in case of a publication before 30 June 2026 it will not be possible to prepare tagged reports already for the fiscal year 2026. Furthermore, it is questionable why E1 should be treated differently than all other topical standards, requiring the tagging of narrative disclosures from year one. A tagging of individual datapoints in narrative information creates enormous extra effort for companies and adds no benefit beyond block-tagging. From our experience, investors and analysts only check whether certain ESG topics are covered.

Generally: With the first Omnibus package, the European Commission has introduced proposals aimed at simplifying EU regulations, including those related to sustainability reporting. The European Commission has set a goal to reduce the administrative burden on EU businesses by at least 25 percent as part of its simplification efforts. To achieve these goals, we strongly urge that the promised reduction in bureaucracy

be fully implemented and that XBRL tagging be immediately eliminated for financial and sustainability reporting. By eliminating the tagging requirement, bureaucracy would be reduced without compromising the quality of reporting. In our experience, XBRL files are not being used by investors as they prefer PDF documents for their information. Furthermore, given the rapid advancements in AI technology, the XBRL system, which was already outdated when it was first introduced, is now obsolete and serves as a significant source of complexity and additional work. AI tools can nowadays extract the same information for a fraction of the cost.

Experience shows that the iXBRL tagging exercise is complex, time-consuming and significantly burdensome. It also draws significantly on corporates' and auditors' resources during the critical time of preparing and auditing the yearly accounts. Furthermore, it creates additional legal and other risks for issuers. XBRL tagging is challenging when making late changes, prone to errors, and even a minor mistake necessitates restarting the Board approval process, risking non-compliance with the strict deadlines of the annual reporting cycle.

Dropping the iXBRL tagging obligation for both financial and non-financial reporting would be a significant step forward in reducing regulatory burden without negatively impacting investors.

<ESMA\_QUESTION\_ESEFEEAP\_02>

**Question 3:** Do you agree with only considering an additional staggered approach based on the type of large undertakings? If not, please explain your reasons and suggest alternatives or other factors that should be considered and why.

<ESMA\_QUESTION\_ESEFEEAP\_03>

See our response to Q 2

<ESMA\_QUESTION\_ESEFEEAP\_03>

**Question 4:** Do you agree with the phases and the content to be marked up as outlined for each phase? If not, please provide your reasons and suggest any well-founded alternative regarding the content for each phase, together with the rationale behind your suggestions.

<ESMA\_QUESTION\_ESEFEEAP\_04>

With the first Omnibus package, the European Commission has introduced proposals aimed at simplifying EU regulations, including those related to sustainability reporting. The European Commission has set a goal to reduce the administrative burden on EU businesses by at least 25 percent as part of its simplification efforts. To achieve these goals, we strongly urge that the promised reduction in bureaucracy be fully implemented and that XBRL tagging be immediately eliminated for financial and sustainability reporting. By eliminating the tagging requirement, bureaucracy would be reduced without compromising the quality of reporting. In our experience, XBRL files are not being used by investors as they prefer PDF documents for their information. Furthermore, given the rapid advancements in AI technology, the XBRL system, which was already outdated when it was first introduced, is now obsolete and serves as a significant source of complexity and additional work. AI tools can nowadays extract the same information for a fraction of the cost.

Experience shows that the iXBRL tagging exercise is complex, time-consuming and significantly burdensome. It also draws significantly on corporates' and auditors' resources during the critical time of preparing and auditing the yearly accounts. Furthermore, it creates additional legal and other risks for issuers. XBRL tagging is challenging when making late changes, prone to errors, and even a minor mistake necessitates restarting the Board approval process, risking non-compliance with the strict deadlines of the annual reporting cycle.

Dropping the iXBRL tagging obligation for both financial and non-financial reporting would be a significant step forward in reducing regulatory burden without negatively impacting investors.

<ESMA\_QUESTION\_ESEFEEAP\_04>

**Question 5:** Do you think it is necessary to establish a clear timeline and content for each phase from the outset? If not, please explain your reasons and propose alternative approaches.

<ESMA\_QUESTION\_ESEFEEAP\_05>

See our response to Q 4

<ESMA\_QUESTION\_ESEFEEAP\_05>

**Question 6:** Do you agree with the approach to limit the creation of extension taxonomy elements for marking up sustainably reports? If not, please explain your reasons and suggest alternative approaches.

<ESMA\_QUESTION\_ESEFEEAP\_06>

Specifically: Against this backdrop and in case extensions will be deemed necessary at all, a limitation of extensions is necessary to ensure comparability (e.g., generic MDR-M or MDR-T elements). Otherwise, all entity-specific topics are tagged with extensions.

Generally: With the first Omnibus package, the European Commission has introduced proposals aimed at simplifying EU regulations, including those related to sustainability reporting. The European Commission has set a goal to reduce the administrative burden on EU businesses by at least 25 percent as part of its simplification efforts. To achieve these goals, we strongly urge that the promised reduction in bureaucracy be fully implemented and that XBRL tagging be immediately eliminated for financial and sustainability reporting. By eliminating the tagging requirement, bureaucracy would be reduced without compromising the quality of reporting. In our experience, XBRL files are not being used by investors as they prefer PDF documents for their information. Furthermore, given the rapid advancements in AI technology, the XBRL system, which was already outdated when it was first introduced, is now obsolete and serves as a significant source of complexity and additional work. AI tools can nowadays extract the same information for a fraction of the cost.

Experience shows that the iXBRL tagging exercise is complex, time-consuming and significantly burdensome. It also draws significantly on corporates' and auditors' resources during the critical time of preparing and auditing the yearly accounts. Furthermore, it creates additional legal and other risks for issuers. XBRL tagging is challenging when making late changes, prone to errors, and even a minor mistake necessitates restarting the Board approval process, risking non-compliance with the strict deadlines of the annual reporting cycle.

Dropping the iXBRL tagging obligation for both financial and non-financial reporting would be a significant step forward in reducing regulatory burden without negatively impacting investors.

<ESMA\_QUESTION\_ESEFEEAP\_06>

**Question 7:** Do you agree with the inclusion of a review clause that would trigger stock-taking by ESMA on the need to make necessary adjustments in response to changing circumstances? If not, please explain your reasons.

<ESMA\_QUESTION\_ESEFEEAP\_07>

With the first Omnibus package, the European Commission has introduced proposals aimed at simplifying EU regulations, including those related to sustainability reporting. The European Commission has set a goal to reduce the administrative burden on EU businesses by at least 25 percent as part of its simplification efforts. To achieve these goals, we strongly urge that the promised reduction in bureaucracy be fully implemented and that XBRL tagging be immediately eliminated for financial and sustainability reporting. By eliminating the tagging requirement, bureaucracy would be reduced without compromising the quality of reporting. In our experience, XBRL files are not being used by investors as they prefer PDF documents for their information. Furthermore, given the rapid advancements in AI technology, the XBRL system, which was already outdated when it was first introduced, is now obsolete and serves as a significant source of complexity and additional work. AI tools can nowadays extract the same information for a fraction of the cost.

Experience shows that the iXBRL tagging exercise is complex, time-consuming and significantly burdensome. It also draws significantly on corporates' and auditors' resources during the critical time of preparing and auditing the yearly accounts. Furthermore, it creates additional legal and other risks for issuers. XBRL tagging is challenging when making late changes, prone to errors, and even a minor mistake necessitates restarting the Board approval process, risking non-compliance with the strict deadlines of the annual reporting cycle.

<ESMA\_QUESTION\_ESEFEEAP\_07>

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## 1.2. Marking up Article 8 sustainability disclosures

**Question 8:** Do you agree with having a closed taxonomy for Article 8 sustainability disclosures? If not, please explain your reasons and provide examples on when entity-specific extensions might be necessary.

<ESMA\_QUESTION\_ESEFEEAP\_08>

With the first Omnibus package, the European Commission has introduced proposals aimed at simplifying EU regulations, including those related to sustainability reporting. The European Commission has set a goal to reduce the administrative burden on EU businesses by at least 25 percent as part of its simplification efforts. To achieve these goals, we strongly urge that the promised reduction in bureaucracy be fully implemented and that XBRL tagging be immediately eliminated for financial and sustainability reporting. By eliminating the tagging requirement, bureaucracy would be reduced without compromising the quality of reporting. In our experience, XBRL files are not being used by investors as they prefer PDF documents for their information. Furthermore, given the rapid advancements in AI technology, the XBRL system, which was already outdated when it was first introduced, is now obsolete and serves as a significant source of complexity and additional work. AI tools can nowadays extract the same information for a fraction of the cost.

Experience shows that the iXBRL tagging exercise is complex, time-consuming and significantly burdensome. It also draws significantly on corporates' and auditors' resources during the critical time of preparing and auditing the yearly accounts. Furthermore, it creates additional legal and other risks for issuers. XBRL tagging is challenging when making late changes, prone to errors, and even a minor mistake necessitates restarting the Board approval process, risking non-compliance with the strict deadlines of the annual reporting cycle.

Dropping the iXBRL tagging obligation for both financial and non-financial reporting would be a significant step forward in reducing regulatory burden without negatively impacting investors.

<ESMA\_QUESTION\_ESEFEEAP\_08>

**Question 9:** Do you agree with the proposed requirement to fully mark up the Article 8 sustainability disclosures without implementing a phased approach in relation to the content of the information to be marked up? Do you agree with only considering a staggered approach based on the type of large undertakings? If not, please explain your reasons and suggest alternative approaches.

<ESMA\_QUESTION\_ESEFEEAP\_09>

With the first Omnibus package, the European Commission has introduced proposals aimed at simplifying EU regulations, including those related to sustainability reporting. The European Commission has set a goal to reduce the administrative burden on EU businesses by at least 25 percent as part of its simplification efforts. To achieve these goals, we strongly urge that the promised reduction in bureaucracy be fully implemented and that XBRL tagging be immediately eliminated for financial and sustainability reporting. By eliminating the tagging requirement, bureaucracy would be reduced without compromising the quality of reporting. In our experience, XBRL files are not being used by investors as they prefer PDF documents for their information. Furthermore, given the rapid advancements in AI technology, the XBRL system, which was

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Dropping the iXBRL tagging obligation for both financial and non-financial reporting would be a significant step forward in reducing regulatory burden without negatively impacting investors.

<ESMA\_QUESTION\_ESEFEEAP\_09>

**Question 10:** Do you support the requirement to mark up the Article 8 sustainability disclosures for the same financial year or the following financial year depending on the publication of the RTS on ESEF in the OJ and align it with the sustainability marking up? If not, please provide your reasons and suggest alternative approaches.

<ESMA\_QUESTION\_ESEFEEAP\_10>

See our response to Q 9

<ESMA\_QUESTION\_ESEFEEAP\_10>

**Question 11:** Do you agree with the inclusion of a review clause that would trigger stock-taking by ESMA to consider any necessary adjustments in response to the evolving circumstances? If not, please provide your reasons.

<ESMA\_QUESTION\_ESEFEEAP\_11>

With the first Omnibus package, the European Commission has introduced proposals aimed at simplifying EU regulations, including those related to sustainability reporting. The European Commission has set a goal to reduce the administrative burden on EU businesses by at least 25 percent as part of its simplification efforts. To achieve these goals, we strongly urge that the promised reduction in bureaucracy be fully implemented and that XBRL tagging be immediately eliminated for financial and sustainability reporting. By eliminating the tagging requirement, bureaucracy would be reduced without compromising the quality of reporting. In our experience, XBRL files are not being used by investors as they prefer PDF documents for their information. Furthermore, given the rapid advancements in AI technology, the XBRL system, which was already outdated when it was first introduced, is now obsolete and serves as a significant source of complexity and additional work. AI tools can nowadays extract the same information for a fraction of the cost.

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<ESMA\_QUESTION\_ESEFEEAP\_11>

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### 1.3. Common technical aspects: incorporating the ESRS and Article 8 digital taxonomies into the ESEF taxonomy framework

**Question 12:** Do you agree with the technical approach followed by ESMA with regards to incorporating ESRS and Article 8 digital taxonomies from EFRAG into the ESEF taxonomy framework?

<ESMA\_QUESTION\_ESEFEEAP\_12>

Specifically: For the reasons outlined below, the question of whether the ESRS and Article 8 digital taxonomies should be incorporated into the ESEF taxonomy framework does not arise.

Generally: With the first Omnibus package, the European Commission has introduced proposals aimed at simplifying EU regulations, including those related to sustainability reporting. The European Commission has set a goal to reduce the administrative burden on EU businesses by at least 25 percent as part of its simplification efforts. To achieve these goals, we strongly urge that the promised reduction in bureaucracy be fully implemented and that XBRL tagging be immediately eliminated for financial and sustainability reporting. By eliminating the tagging requirement, bureaucracy would be reduced without compromising the quality of reporting. In our experience, XBRL files are not being used by investors as they prefer PDF documents for their information. Furthermore, given the rapid advancements in AI technology, the XBRL system, which was already outdated when it was first introduced, is now obsolete and serves as a significant source of complexity and additional work. AI tools can nowadays extract the same information for a fraction of the cost.

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<ESMA\_QUESTION\_ESEFEEAP\_12>

**Question 13:** Should ESMA consider using the EFRAG taxonomy files 'as-is' and without developing a 'technical' extension, similar to the one developed for IFRS accounting taxonomy scope?

<ESMA\_QUESTION\_ESEFEEAP\_13>

As stated in the previous responses, we advocate for the elimination of the tagging requirement for financial and sustainability information. Therefore, there is no need for a technical extension.

<ESMA\_QUESTION\_ESEFEEAP\_13>

**Question 14:** Do you have any other suggestions in relation to the future ESEF taxonomy framework and how ESMA can further reduce the burden for the reporting entities?

<ESMA\_QUESTION\_ESEFEEAP\_14>

See our responses to Q 12 and Q 13

<ESMA\_QUESTION\_ESEFEEAP\_14>

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## 1.4. Marking up the Notes to the IFRS consolidated financial statements

**Question 15:** Do you agree that it is necessary to revise the marking up rules for the Notes to the IFRS consolidated financial statements? If not, please explain your reasons.

<ESMA\_QUESTION\_ESEFEEAP\_15>

Specifically: We do not see the added value of marking up notes with block tags, and even less value in providing further detailed tagging. There are few, if any, users that require this information and there is little additional comparability between companies provided through block tagging. For preparers, this is a very burdensome task for which we do not see that the benefit justifies the costs.

Generally: With the first Omnibus package, the European Commission has introduced proposals aimed at simplifying EU regulations, including those related to sustainability reporting. The European Commission has set a goal to reduce the administrative burden on EU businesses by at least 25 percent as part of its simplification efforts. To achieve these goals, we strongly urge that the promised reduction in bureaucracy be fully implemented and that XBRL tagging be immediately eliminated for financial and sustainability reporting. By eliminating the tagging requirement, bureaucracy would be reduced without compromising the quality of reporting. In our experience, XBRL files are not being used by investors as they prefer PDF documents for their information. Furthermore, given the rapid advancements in AI technology, the XBRL system, which was already outdated when it was first introduced, is now obsolete and serves as a significant source of complexity and additional work. AI tools can nowadays extract the same information for a fraction of the cost.

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Dropping the iXBRL tagging obligation for both financial and non-financial reporting would be a significant step forward in reducing regulatory burden without negatively impacting investors.

<ESMA\_QUESTION\_ESEFEEAP\_15>

**Question 16:** Do you agree with the phased-in approach and the proposed timeline? Do you also agree that the first phase should take effect with the annual financial report for the financial year when the amendment to the RTS on ESEF is published in the OJ before 30 September of the given year? If not, please explain your reasons and suggest any alternative timelines for the implementation.

<ESMA\_QUESTION\_ESEFEEAP\_16>

Notwithstanding our general recommendation to drop tagging requirements for both financial and non-financial information, we find the proposed timeline too narrow and suggest, at a minimum, moving the cut-off date to June 30 or even better to the end of quarter 1. I.e. if amendments to the RTS are published by early in calendar year N, then they could become effective for fiscal year N. If they are published with a late cut-off date as proposed by ESMA, they should become effective for the fiscal year N+1.

Sufficient time to adapt is necessary for all involved parties, i.e. software providers, preparers, auditors, OAMs and others, to integrate the new reporting requirements in existing systems. Additionally, the timelines and cut-off dates for the tagging of the sustainability statement as well as the notes to the financial statements should be harmonized as far as possible.

<ESMA\_QUESTION\_ESEFEEAP\_16>

**Question 17:** Do you agree with the content outlined for phase one? Specifically, do you support the proposed approach to text block mark up the Notes to the IFRS consolidated financial statements? If not, please provide your reasons and suggest alternatives to marking up text blocks in the Notes to the IFRS consolidated financial statements.

<ESMA\_QUESTION\_ESEFEEAP\_17>

Please also see our responses to Q 15 and Q 16

Notwithstanding our general recommendation to drop tagging requirements for both financial and non-financial information, the implementation of block tagging is already now not aligned with Annex IV, No. 3 of the ESEF Directive 2019/815/EU, emphasizing that in case multiple core elements appear fitting, the closest element should be selected. Notwithstanding our general recommendation to drop the requirement of XBRL tagging completely, this needs to be changed in any case.

<ESMA\_QUESTION\_ESEFEEAP\_17>

**Question 18:** Do you agree with the content outlined in phase two? Do you think there is added value in detailed marking up of the Notes to the IFRS consolidated financial statements, particularly for all figures in a declared currency within the tables? Do you think that detailed tagging of numerical elements for which issuers should create extensions because there is no corresponding core taxonomy element provide added value? If not, please provide your reasons and suggest alternatives to detailed-marking up the Notes to the IFRS consolidated financial statements.

<ESMA\_QUESTION\_ESEFEEAP\_18>

See our responses to Q 15-17

Against the background of our general recommendation to eliminate the tagging obligation for financial and sustainability information, we also strongly oppose any extension of detailed tagging to the notes as this would add further details and complexity to an already burdensome process without an added value. We furthermore think that there will not be much added value provided by individually created extensions in understanding a certain company but there will be less comparability between companies. However, it is certain that there will be more efforts and costs for issuers and auditors. According to the Transparency Directive 2013/50/EU, appropriate field tests and a cost-benefit analysis were required before the introduction of ESEF. Such a massive extension of current requirements would, at least require a new field test and a new – realistic – cost-benefit analysis. We disagree with ESMA's proposal for phase two, as it would add further details and complexity to an already burdensome process.

<ESMA\_QUESTION\_ESEFEEAP\_18>

**Question 19:** Do you agree with the proposal to remove the current list of mandatory core taxonomy elements outlined in Annex II of the RTS on ESEF and replace it with a more concise and targeted list of mandatory taxonomy elements? If not, please explain your reasons.

<ESMA\_QUESTION\_ESEFEEAP\_19>

See our previous responses

Against the background of our general recommendation to eliminate the tagging obligation for financial and sustainability information, we also advocate the deletion of any additional mandatory elements that are not required by the accounting standards. It is worth to note that the ESEF regulation, respectively the amending RTS on ESEF only regulate the format of reporting, not its content. Since existing additional and newly proposed elements such as the name of the software provider are not required to be disclosed under IFRS, no XBRL tagging can be mandated.

<ESMA\_QUESTION\_ESEFEEAP\_19>

**Question 20:** Do you agree with the proposed list of mandatory elements? If not, please provide your reasons and suggest any elements that should be removed or added.

<ESMA\_QUESTION\_ESEFEEAP\_20>

See our response to Q 19

<ESMA\_QUESTION\_ESEFEEAP\_20>

**Question 21:** Do you agree with the revised approach towards the creation of extension taxonomy elements for the Notes to the IFRS consolidated financial statements and the principles outlined? If not, please explain your reasons and suggest alternatives.

<ESMA\_QUESTION\_ESEFEEAP\_21>

Specifically: We are opposed to the proposal of introducing additional detailed tagging. In general, adding extensions results in a loss of comparability.

Against this background we also strongly oppose to introduce further detailed tagging requirements which will add significantly to bureaucratic burden for companies without improving comparability as extension by nature are company-specific. For bigger issuers, we expect several hundred extension to be necessary.

Generally: With the first Omnibus package, the European Commission has introduced proposals aimed at simplifying EU regulations, including those related to sustainability reporting. The European Commission has set a goal to reduce the administrative burden on EU businesses by at least 25 percent as part of its simplification efforts. To achieve these goals, we strongly urge that the promised reduction in bureaucracy be fully implemented and that XBRL tagging be immediately eliminated for financial and sustainability reporting. By eliminating the tagging requirement, bureaucracy would be reduced without compromising the quality of reporting. In our experience, XBRL files are not being used by investors as they prefer PDF documents for their information. Furthermore, given the rapid advancements in AI technology, the XBRL system, which was already outdated when it was first introduced, is now obsolete and serves as a significant source of complexity and additional work. AI tools can nowadays extract the same information for a fraction of the cost.

Experience shows that the iXBRL tagging exercise is complex, time-consuming and significantly burdensome. It also draws significantly on corporates' and auditors' resources during the critical time of preparing and auditing the yearly accounts. Furthermore, it creates additional legal and other risks for issuers. XBRL tagging is challenging when making late changes, prone to errors, and even a minor mistake necessitates restarting the Board approval process, risking non-compliance with the strict deadlines of the annual reporting cycle.

Dropping the iXBRL tagging obligation for both financial and non-financial reporting would be a significant step forward in reducing regulatory burden without negatively impacting investors.

<ESMA\_QUESTION\_ESEFEEAP\_21>

**Question 22:** Do you agree with the inclusion of a review clause that would trigger stock-taking by ESMA to consider any necessary adjustments in response to the changing circumstances and to bundle these adjustments with other updates where feasible? If not, please explain your reasons.

<ESMA\_QUESTION\_ESEFEEAP\_22>

Specifically: We generally advise against the constant adjustment of rules, as this will cause short-term disruptions and incur additional costs. Moreover, it will increase uncertainty. New issues will emerge during the implementation process, resulting in a heavier workload for both preparers and those reviewing the reports. Frequent modifications to the ESEF RTS represent a significant added complexity for companies. The introduction of a review clause may lead to even more frequent and extensive changes.

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has set a goal to reduce the administrative burden on EU businesses by at least 25 percent as part of its simplification efforts. To achieve these goals, we strongly urge that the promised reduction in bureaucracy be fully implemented and that XBRL tagging be immediately eliminated for financial and sustainability reporting. By eliminating the tagging requirement, bureaucracy would be reduced without compromising the quality of reporting. In our experience, XBRL files are not being used by investors as they prefer PDF documents for their information. Furthermore, given the rapid advancements in AI technology, the XBRL system, which was already outdated when it was first introduced, is now obsolete and serves as a significant source of complexity and additional work. AI tools can nowadays extract the same information for a fraction of the cost.

Experience shows that the iXBRL tagging exercise is complex, time-consuming and significantly burdensome. It also draws significantly on corporates' and auditors' resources during the critical time of preparing and auditing the yearly accounts. Furthermore, it creates additional legal and other risks for issuers. XBRL tagging is challenging when making late changes, prone to errors, and even a minor mistake necessitates restarting the Board approval process, risking non-compliance with the strict deadlines of the annual reporting cycle.

Dropping the iXBRL tagging obligation for both financial and non-financial reporting would be a significant step forward in reducing regulatory burden without negatively impacting investors.

<ESMA\_QUESTION\_ESEFEEAP\_22>

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## 1.5. Targeted improvements to the existing drafting of the RTS on ESEF

**Question 23:** Do you agree with the proposals for the targeted amendments to the RTS on ESEF? If not, please explain your reasons and suggest alternatives. In your response, reference specific proposals by proposal number.

<ESMA\_QUESTION\_ESEFEEAP\_23>

With the first Omnibus package, the European Commission has introduced proposals aimed at simplifying EU regulations, including those related to sustainability reporting. The European Commission has set a goal to reduce the administrative burden on EU businesses by at least 25 percent as part of its simplification efforts. To achieve these goals, we strongly urge that the promised reduction in bureaucracy be fully implemented and that XBRL tagging be immediately eliminated for financial and sustainability reporting. By eliminating the tagging requirement, bureaucracy would be reduced without compromising the quality of reporting. In our experience, XBRL files are not being used by investors as they prefer PDF documents for their information. Furthermore, given the rapid advancements in AI technology, the XBRL system, which was already outdated when it was first introduced, is now obsolete and serves as a significant source of complexity and additional work. AI tools can nowadays extract the same information for a fraction of the cost.

Experience shows that the iXBRL tagging exercise is complex, time-consuming and significantly burdensome. It also draws significantly on corporates' and auditors' resources during the critical time of preparing and auditing the yearly accounts. Furthermore, it creates additional legal and other risks for issuers. XBRL tagging is challenging when making late changes, prone to errors, and even a minor mistake necessitates restarting the Board approval process, risking non-compliance with the strict deadlines of the annual reporting cycle.

Dropping the iXBRL tagging obligation for both financial and non-financial reporting would be a significant step forward in reducing regulatory burden without negatively impacting investors.

<ESMA\_QUESTION\_ESEFEEAP\_23>

**Question 24:** Are there any additional targeted amendments that could be brought to the RTS on ESEF which are not considered in this proposed list? If yes, please provide additional comments, providing specific references to the RTS on ESEF and concrete wording proposals for ESMA to take into consideration.

<ESMA\_QUESTION\_ESEFEEAP\_24>

See our response to Q 23

<ESMA\_QUESTION\_ESEFEEAP\_24>

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## 1.6. Amendments to the RTS on the European Electronic Access Point (Delegated Regulation 2016/1437)

**Question 25:** Do you agree that it is necessary to amend the RTS on EEAP and with the way ESMA proposes to do so? If not, please explain your reasons.

<ESMA\_QUESTION\_ESEFEEAP\_25>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_ESEFEEAP\_25>

**Question 26:** Do you agree with content of the proposed amendments to the RTS on EEAP? If not, please explain in which regards to you disagree and illustrate any alternative proposal.

<ESMA\_QUESTION\_ESEFEEAP\_26>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_ESEFEEAP\_26>

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## 1.7. Annex II. Draft Cost/Benefit Analysis on the RTS on ESEF

**Question 27:** Do you agree with ESMA's high-level understanding of an approximate monetary cost associated with marking up disclosures in IFRS consolidated financial statements and the Notes to the IFRS consolidated financial statements? If you have a different view on the approximate average monetary cost per markup, please supply supporting data.

<ESMA\_QUESTION\_ESEFEEAP\_27>

We firmly disagree with the cost estimate provided by ESMA, as it is significantly underestimated. ESMA overlooks the entire process, leading to an unfair analysis that significantly underestimates the costs for filers. Missing elements include, among others, troubleshooting, checking and implementing taxonomy updates, element reviews, rendering reviews, various checks and validations, the audit process, and the associated audit costs. The costs for auditing the ESEF file alone by the auditor far exceed ESMA's projected figures and will strongly increase again if sustainability reports were to be tagged. Furthermore, there are additional expenses for licenses, consulting, and the time investment of the company's internal staff. ESMA's estimate of 2.5 man-days for creating an ESEF file is highly unrealistic, even in subsequent periods and without regulatory changes. The feedback we receive indicates that even in the status quo, issuers have to calculate with at least 50 man-days on a recurring basis. The implementation of phase 1 and 2 would additionally require the commitment of personal resources with a factor of at least three. This does not include costs for auditing and software.

On the other hand, the substantial costs involved and the significant commitment of resources even on management level associated with ESEF are not justified by any benefits for the recipients.

Issuers made the experiences that they are not asked for iXBRL files by their stakeholders. Furthermore, given the rapid advancements in AI technology, AI tools can already nowadays and for sure in the near future extract the same information for a fraction of the cost.

<ESMA\_QUESTION\_ESEFEEAP\_27>

**Question 28:** Do you agree with ESMA's high-level understanding of an approximate monetary cost per markup and other additional costs associated with marking up disclosures of sustainability reporting? If you have a different view on the approximate average monetary cost per markup, please supply supporting data.

<ESMA\_QUESTION\_ESEFEEAP\_28>

We firmly disagree with the cost estimate provided by ESMA, as it is significantly underestimated. ESMA overlooks the entire process, leading to an unfair analysis that significantly underestimates the costs for filers. Missing elements include, among others, troubleshooting, checking and implementing taxonomy updates, element reviews, rendering reviews, various checks and validations, the audit process, and the associated audit costs. The costs for auditing the ESEF file alone by the auditor far exceed ESMA's projected figures and will strongly increase again if sustainability reports were to be tagged. Furthermore, there are additional expenses for licenses, consulting, and the time investment of the company's internal staff. ESMA's estimate of 2.5 man-days for creating an ESEF file is highly unrealistic, even in subsequent periods and without regulatory changes. The feedback we receive indicates that even in the status quo, issuers have to calculate with at least 50 man-days on a recurring basis. The implementation of phase 1 and 2 would additionally require the commitment of personal resources with a factor of at least three. This does not include costs for auditing and software.

On the other hand, the substantial costs involved and the significant commitment of resources even on management level associated with ESEF are not justified by any benefits for the recipients.

Issuers made the experiences that they are not asked for iXBRL files by their stakeholders. Furthermore, given the rapid advancements in AI technology, AI tools can already nowadays and for sure in near future extract the same information for a fraction of the cost.

<ESMA\_QUESTION\_ESEFEEAP\_28>

**Question 29:** Do you agree with the above-mentioned possible costs and benefits developed by ESMA with respect to defining the rules to mark up the sustainability statements? Which other types of costs or benefits (qualitative and/or quantitative) would you consider in that context?

<ESMA\_QUESTION\_ESEFEEAP\_29>

See our response to Q 27-28

<ESMA\_QUESTION\_ESEFEEAP\_29>

**Question 30:** Do you agree with the above-mentioned possible costs and benefits developed by ESMA with respect to the use of a list of mandatory elements for marking up the sustainability statements? Which other types of costs or benefits (qualitative and/or quantitative) would you consider in that context?

<ESMA\_QUESTION\_ESEFEEAP\_30>

See our response to Q 27-28

<ESMA\_QUESTION\_ESEFEEAP\_30>

**Question 31:** Do you agree with the above-mentioned possible costs and benefits developed by ESMA with respect to defining the rules for marking up Article 8 sustainability disclosures in the sustainability statements? Which other types of costs or benefits (qualitative and/or quantitative) would you consider in that context?

<ESMA\_QUESTION\_ESEFEEAP\_31>

See our response to Q 27-28

<ESMA\_QUESTION\_ESEFEEAP\_31>

**Question 32:** Do you agree with the above-mentioned possible costs and benefits developed by ESMA with respect to the review of the current marking up approach for the Notes to the IFRS consolidated financial statements? Which other types of costs or benefits (qualitative and/or quantitative) would you consider in that context?

<ESMA\_QUESTION\_ESEFEEAP\_32>

See our response to Q 27-28

<ESMA\_QUESTION\_ESEFEEAP\_32>

**Question 33:** Do you agree with the above-mentioned possible costs and benefits developed by ESMA with respect to the review of the list of mandatory elements under Annex II to RTS on ESEF? Which other types of costs or benefits (qualitative and/or quantitative) would you consider in that context?

<ESMA\_QUESTION\_ESEFEEAP\_33>

See our response to Q 27-28

<ESMA\_QUESTION\_ESEFEEAP\_33>

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## 1.8. Annex III. Draft Cost/Benefit Analysis relating to the amendment to the RTS on the EEAP

**Question 34:** Do you agree with the assessment of costs and benefits developed by ESMA with respect to the review of the RTS on EEAP?

<ESMA\_QUESTION\_ESEFEEAP\_34>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_ESEFEEAP\_34>

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## 1.9. Annex IV. Legal text RTS on ESEF

**Question 35:** Do you agree with the proposed drafting amendments to the RTS on ESEF? If not, please explain your reasons and suggest alternatives. In your response, reference specific sections and paragraphs of the RTS on ESEF (i.e., Annex III, paragraph 1).

<ESMA\_QUESTION\_ESEFEEAP\_35>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_ESEFEEAP\_35>

**Question 36:** Are there any additional drafting amendments that could be brought to the RTS on ESEF which are not considered in this draft legal text? If yes, please provide additional comments, providing specific references to the RTS on ESEF, underlying reasoning and concrete wording suggestions for ESMA to take into consideration.

<ESMA\_QUESTION\_ESEFEEAP\_36>

[TYPE YOUR TEXT HERE ]

<ESMA\_QUESTION\_ESEFEEAP\_36>