



# 5 STRATEGIES TO ADOPT FOR A SMOOTH ESEF iXBRL COMPLIANCE

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Frankfurt, 17 June 2019



A PRESENTATION ON A MONDAY  
MORNING? ☹️

LETS START WITH A DIFFERENCE 😊

<https://www.youtube.com/watch?v=inhYO97OU3I>





# AGENDA

- ✓ The ESEF mandate in brief
- ✓ What is XBRL? What is iXBRL?
- ✓ Who needs to comply with the ESEF mandate

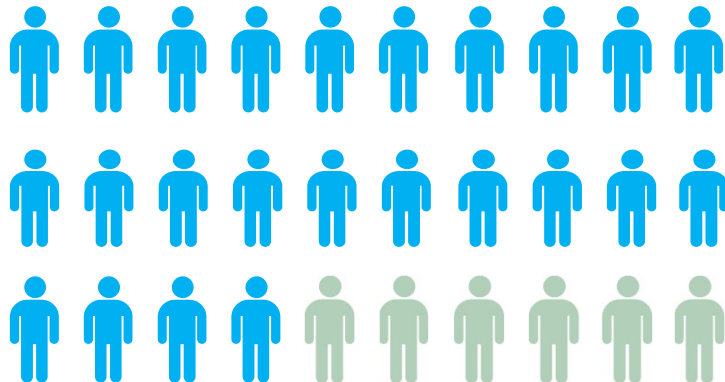
## 5 STEPS TO ADOPT FOR SMOOTH ESEF IXBRL COMPLIANCE

- ✓ Understanding the Mandate
- ✓ Reviewing Options
- ✓ Narrowing Your Choices
- ✓ A Few Things to Watch Out For
- ✓ Planning your Calendar

# ESEF: THE NEED FOR STRUCTURED DATA REPORTING



Number of listed entities  
**5 300**



Average size of an  
annual report:  
**165 pages**



Number of pages EU regulators  
has to go through in 1 year  
**874 500!**



Needs an army of people!  
Time taken to go through  
**874 500 reports ?**



**XBRL is machine readable, data can be processed, verified and analysed by machines quickly!**



# **STEP 1:** UNDERSTANDING THE MANDATE

# THE ESEF MANDATE

The European Securities and Markets Authority (ESMA), has **mandated digital financial reporting** in **inline eXtensible Business Reporting Language (iXBRL)**



## THE CHANGE

.....  
PDF

Companies were earlier submitting  
Annual Financial Reports (AFR)

.....  
iXBRL

Now they will need to submit these  
Annual Financial Statements in iXBRL  
format

# THE MANDATE



## WHO IS IT FOR?

5 300 listed entities  
preparing AFR using  
**IFRS standards**



## SCOPE

Consolidated financial  
statements for financial years  
**beginning on or after**  
**1 January 2020**

- Primary Financial Statements: 2020
- Block tagging of Notes: 2022
- Detailed tagging of notes: Voluntary

# XBRL VS INLINE XBRL

XBRL is  
machine  
readable  
only

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```

# XBRL VS INLINE XBRL

iXBRL is both  
machine  
readable and  
human  
readable  
(HTML)

IRIS CARBON® XBRL Inline Previewer

Search

Facts: <

## Resultatopgørelse

Koncernen			
Mio.kr.	Note	2018	2017
Resultatopgørelse			
Indtægter			
Premieindtægter	1	7.278	6.551
Premieindtægter mv.	2	674	733
Indtægter mv.	3	181	187
Andre indtægter fra investeringsvirksomhed	4	7	24
Anden indkomst	5	471	278
Indtægter, i alt		8.608	7.773
Omkostninger			

☒ Positive Number
 ☐ Negative Number
 ☒ Text Data
 ☐ Paragraph
 ☐ Boolean And Fixed
 Clear

Selected Values Additional Information Meta Information

Tagged Values

	Label	XBRL Tag	Value	Unit	Scale	Start Date	End Date	Dimension
1	Net earned premium	ifrs-full:NetEarnedPremium	7.278	EUR	Actual	2018-01-01	2018-12-31	

# SOME COMMON QUESTIONS



Build in house capability?



Integrate iXBRL with document?



How do I pick the right solution?



Outsource to experts?



Get to iXBRL after the document is complete?



How do I ensure quality ?



## STEP 2: REVIEW OF OPTIONS

# REVIEW OF OPTIONS

## EXISTING SOLUTION PROVIDER

- ✓ Check if your existing solution provider offers iXBRL in an all in **all-in-one solution**

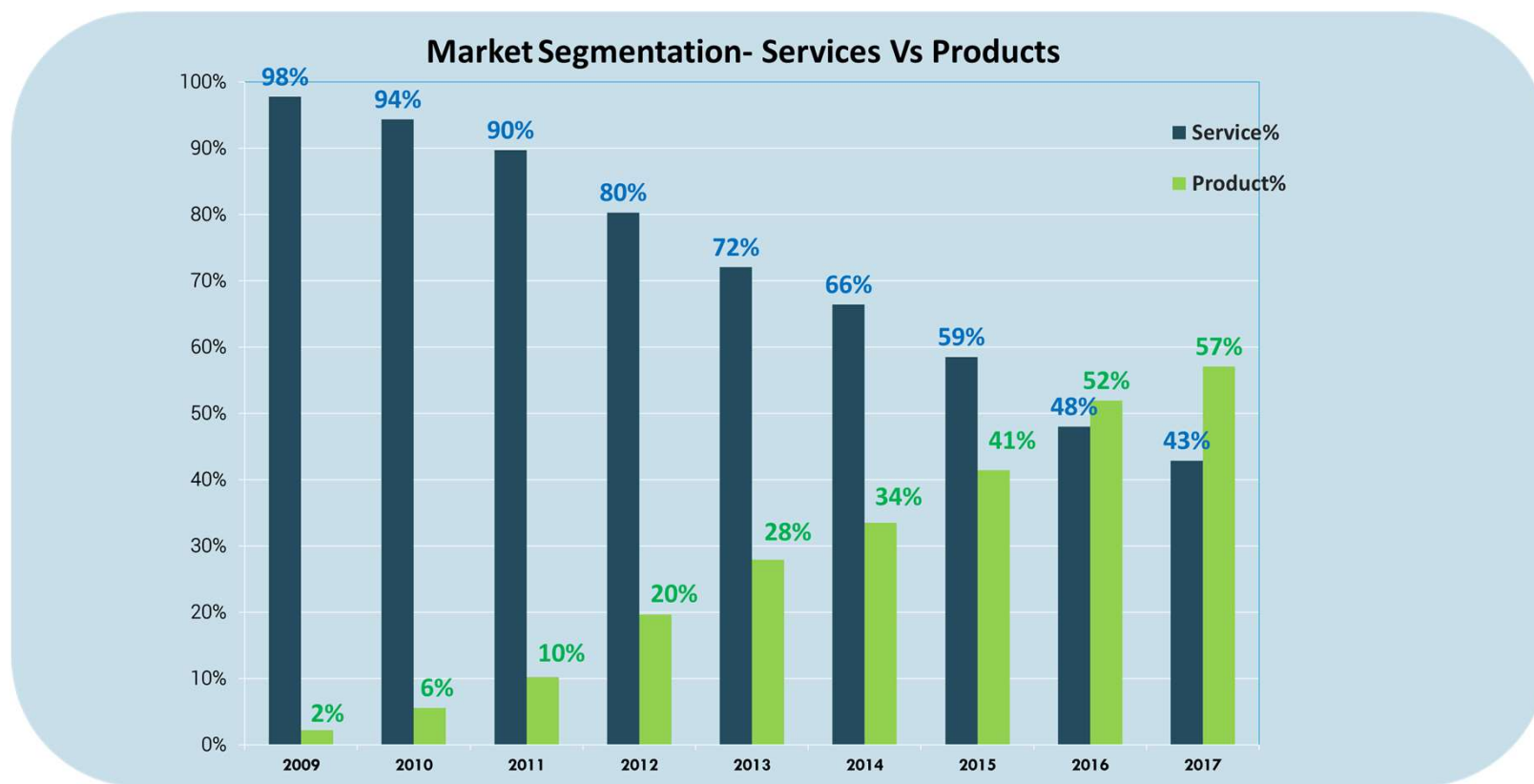
### Support for

- ✓ Extensions
- ✓ Anchoring
- ✓ Formatting
- ✓ Company taxonomy creation

# REVIEW OF OPTIONS

WHEN	ALONG WITH AFR PREPARATION	AFTER AFR PREPARATION		
BY WHOM	<b>IN-HOUSE TEAM</b> <ul style="list-style-type: none"> <li>✓ Have accounting/finance and IFRS expertise</li> <li>✓ Willingness (and bandwidth) to learn and undertake the iXBRL process in-house</li> </ul>	<b>OUTSIDE EXPERTS</b> <ul style="list-style-type: none"> <li>✓ Do not have the bandwidth, resources to take iXBRL process in-house</li> </ul>	<b>BLENDED</b> <ul style="list-style-type: none"> <li>✓ Have accounting / finance experts</li> <li>✓ Interest in understanding iXBRL, at least for review / to ensure quality</li> </ul>	
HOW (TOOLS)	<b>EMBEDDED SOLUTIONS (ACCOUNTING PACKAGE)</b> <ul style="list-style-type: none"> <li>✓ Accounting software already has iXBRL creation capability.</li> </ul>	<b>SPECIALIZED XBRL SOFTWARES</b> <ul style="list-style-type: none"> <li>✓ Software specifically designed only for iXBRL creation purposes.</li> </ul>	<b>DISCLOSURE MANAGEMENT SOFTWARES</b> <ul style="list-style-type: none"> <li>✓ SaaS product with ability to collaboratively create and manage AFR + iXBRL creation and review.</li> </ul>	<b>ANY SOFTWARE</b>

# TREND ACROSS THE WORLD





## **STEP 3:** NARROWING YOUR CHOICES



# QS THAT CAN HELP YOU AS YOU MAKE YOUR CHOICE

- ✓ Does your in-house accounting systems/ERP have the ability to generate iXBRL?
- ✓ Are you able / willing to invest time and resources in building iXBRL capabilities/ the mandate?
- ✓ How important is visibility and control of your iXBRL for you?



# **STEP 4:** THINGS TO WATCH OUT FOR

# THINGS TO WATCH OUT FOR

On-Document Tagging Vs  
Template Based Tagging

Completeness of Tagging

.....

Template based tagging is not iXBRL

✓ [Click: Example of On-document tagging](#)

✗ [Click: Example of Template Based Tagging](#)

- .....
- Based on the phase of the mandate.
  - ESEF taxonomy has 4 662 elements.
  - Use ESEF tags where appropriate, for the rest, create extensions



# THINGS TO WATCH OUT FOR

Extensions and anchoring

.....

Ability to handle extensions  
and anchoring in the same  
solution

Support multiple languages

.....

Ability to view EU taxonomy with 23  
language labels



# 7 POINTS CHECKLIST

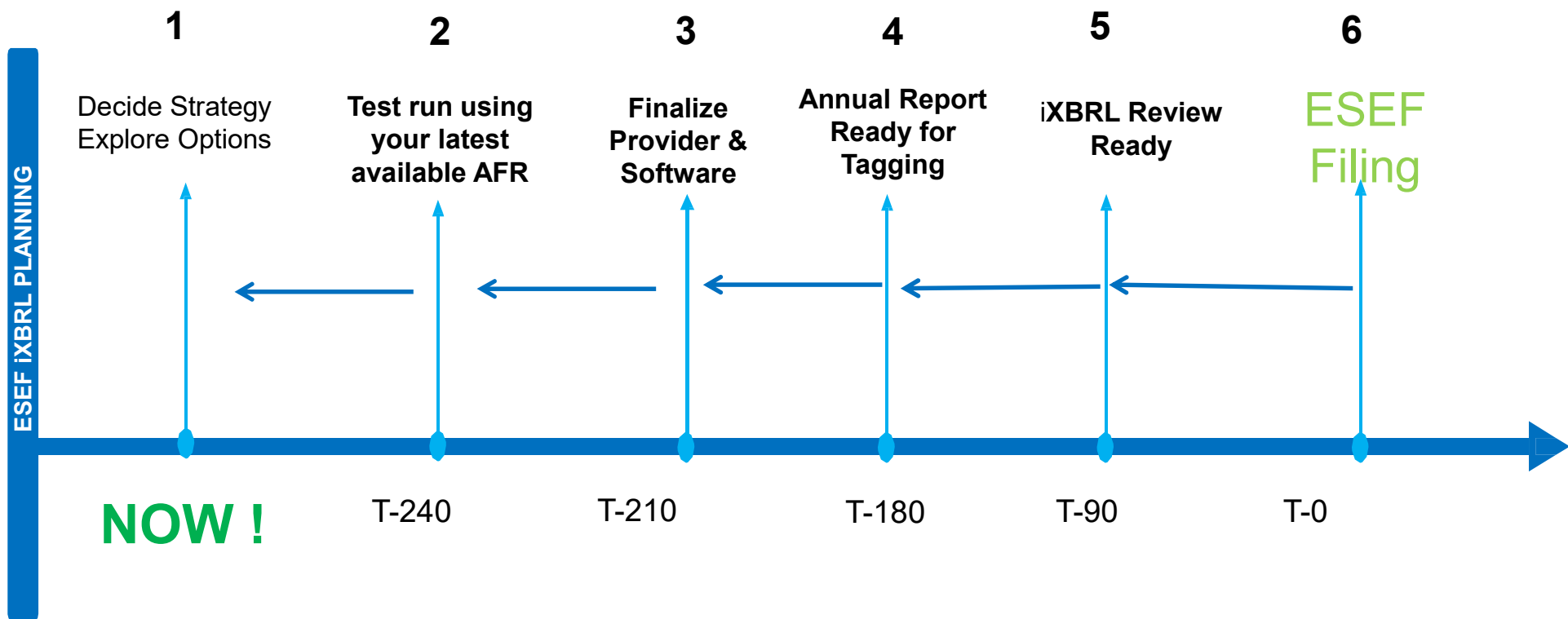
- 1 XBRL Partner Credentials
- 2 Customer References
- 3 iXBRL Training
- 4 Expert Assistance
- 5 Turn Around Time (TAT)
- 6 Flexi models
- 7 Future Proof Solutions

Remember – in the end it  
is your iXBRL filing, and  
you are **ACCOUNTABLE!**



# **STEP 5:** **PLAN YOUR FILING CALENDAR**

# PLANNING A FILING CALENDAR





**TO SUMMARIZE**

# QUICK TAKEAWAYS

## Mandate Applicability

- Listed companies issuing shares or bonds
- Filings of annual reports after 1 Jan 2020
- Scope of tagging: Facing Statements first, block tagging of notes second, tagging of numbers in notes voluntary

## Pick the best fit strategy for you

- Don't hesitate to explore options

## Remember

- iXBRL is not XBRL

## A few things to watch out for / checklist

- Tagging –On-document
- Completeness of Tagging
- Anchoring, extensions, formatting and more  
ALL IN ONE SOLUTION





# THANK YOU !

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