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Delegations will find attached document SWD(2021) 344 final/2.

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CORRIGENDUM

This document corrects document SWD(2021) 344 final of 25.11.2021

Correction of two non-substantial errors on pages 122 and 124

The text shall read as follows:

COMMISSION STAFF WORKING DOCUMENT

IMPACT ASSESSMENT REPORT

Accompanying the documents

Proposal for a Regulation of the European Parliament and of the Council establishing a European single access point providing centralised access to publicly available information of relevance to financial services, capital markets and sustainability

Proposal for a Regulation of the European Parliament and of the Council amending certain Regulations as regards the establishment and functioning of the European single access point

Proposal for a Directive of the European Parliament and of the Council amending certain Directives as regards the establishment and functioning of the European single access point

{COM(2021) 723 final} - {SEC(2021) 572 final} - {SWD(2021) 345 final} - {COM(2021) 724 final} - {COM(2021) 725 final}

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GLOSSARY

Term or acronym	*Meaning or definition*
AI	Artificial intelligence
AIFM or AIFMs	Alternative Investment Fund Manager
AIFMD	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers
APA	Approved Publication Arrangement
API	Application Programming Interface
BRIS	Business Registers Interconnection System
CCP	Central clearing counterparty
CMU	Capital Markets Union
CSD	Central Securities Depository
CSDR	Corporate Sustainability Reporting Directive
CSV	Comma Separated Value(s) (database export/import format and file extension)
CTP	Consolidated Tape Provider
EBA	European Banking Authority
EDGAR	Electronic Data Gathering, Analysis, and Retrieval
EDINET	Electronic Disclosure for Investors' NETwork
EEAP	European Electronic Access Point
EIOPA	The European Insurance and Occupational Pensions Authority
ESA	European system of financial supervision
ESAP	European Single Access Point
ESEF	European Single Electronic Format
ESG	Environment, Social and Governance (sustainability related topics)
ESMA	European Securities and Markets Authority
EuSEF	European Social Entrepreneurship Fund
EuVECA	European Venture Capital Fund
FISMA	Directorate-General for Financial Stability, Financial Services and Capital Markets Union
HLF	High-Level Forum on the Capital Markets Union
HTML	HyperText Markup Language (and file extension)
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standard(s), issued by the IASB
IMF	International Monetary Fund
iXBRL	Inline eXtensible Business Reporting Language is an open standard that enables a single document to provide both human-readable and structured, machine-readable data
KID	Key Information Document
MAR	Market Abuse Regulation
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (OJ L 173, 12.6.2014, p. 349, as amended)
MiFIR	Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (OJ L 173, 12.6.2014, p. 84, as amended)
MTFs	Multilateral trading facility
NCA or NCAs	National Competent Authority(ies)
OAMs	Officially Appointed Mechanisms

OTC	Over-the-counter
PDF	Portable Document Format (Adobe Acrobat)
POC	Proof of Concept
PEPP	pan-European Personal Pension Product
PRIIPs	Packaged Retail Investment and Insurance Products Regulation)
Retail investor	An investor who is not a professional investor
SEC	Securities & Exchange Commission (US government)
SFDR	Sustainable Finance Disclosure Regulation
SME	Small and Medium Enterprises
TESG	Technical Expert Stakeholder Group on SMEs
TFEU	Functioning of the European Union
UCITS	Undertakings for Collective Investment in Transferable Securities
URD	Universal Registration Documents
XBRL	eXtensible Business Reporting Language is an open international standard for digital business reporting, managed by a global not for profit consortium, XBRL International.
xHTML	Extensible HyperText Markup Language is a hybrid language between XML and HTML that allows humans and machines to read data
XML	Extensible Markup Language is a simple and extensible text-based format for representing structured information

1 INTRODUCTION: POLITICAL AND LEGAL CONTEXT

1.1 Political context

The **Capital Markets Union (CMU) Action Plan** of September 2020 aims to foster diversified sources of finance for companies and to tackle barriers to the flow of capital. In these respects, the High Level Forum on CMU[1] found that access to data by investors is crucial to reach a fully-fledged Capital Markets Union. SMEs or start-ups - need access to the full range of funding sources, including private and public equity, to finance innovation and growth over the long-term. The International Monetary Fund (IMF) underlines the lack of integration as regards information at the EU level and believes that one of the obstacles to CMU is insufficient transparency, including access to data on listed and unlisted entities[2].

The Commission is equally committed to achieving a green transition of the EU economy, as set out in the European Green Deal communication of December 2019[3] and its Strategy for Financing the Transition to a Sustainable Economy[4]. In the European Green Deal Investment Plan of January 2020, the Commission reiterated the need to place sustainable finance at the heart of the financial system. This is a precondition to create an enabling framework for private investments in sustainable projects and activities. To further support the developments in this area, the Commission tabled a revision of the Corporate Sustainable Reporting in April 2021 which will improve and expand information published by entities as regards Environmental, Social and Governance (ESG) matters[5].

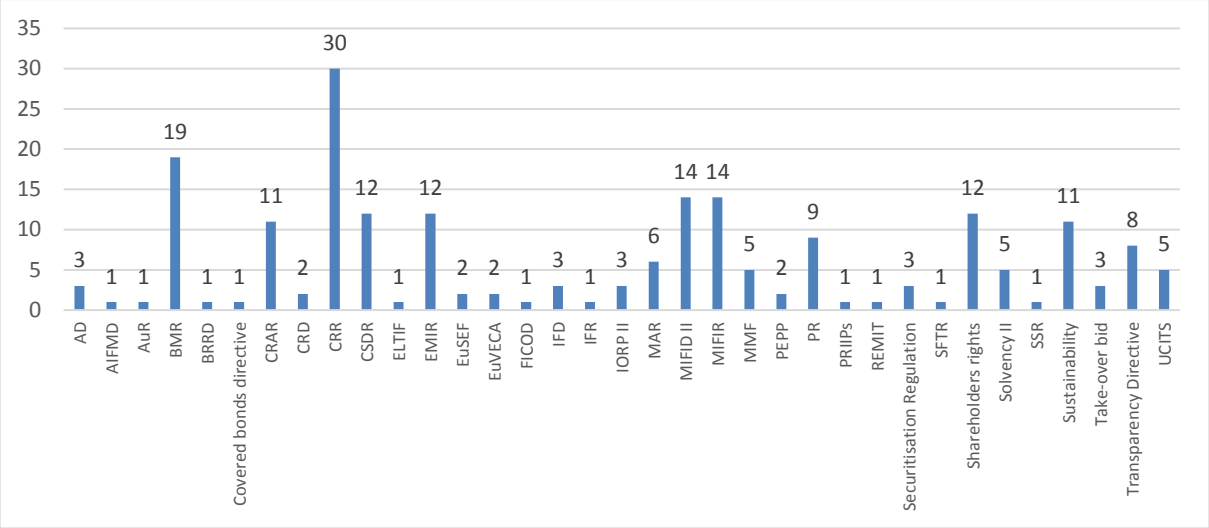
Overall, making the EU fit for the digital age over this decade is a key priority of the Commission. Europe wants to strengthen its digital sovereignty and set its own standards, with a focus on data, technology, and infrastructure[6]. Empowering businesses in a sustainable and more prosperous digital future will need the digitalisation of public services and the digital transformation of businesses. **Industrial and commercial data are key drivers of the digital economy.** In its European Data Strategy[7], the Commission declared its intention to make more data available for use in the economy and society. The strategy suggests the roll out of common data spaces in crucial sectors, including the financial sector. The Commission Digital Finance Strategy[8] sets out general lines on how Europe can support the digital transformation of finance in the coming years, and in particular to promote a data-driven finance.

[1] An expert group composed of highly experienced industry executives and top international experts and scholars.
[2] A Capital Market Union for Europe, IMF staff discussion note, 10.09.2019.
[3] Communication: The European Green Deal, European Commission, 11.12.2019.
[4] Commission Strategy for financing the transition to a sustainable economy, 6 July 2021.
[5] In addition, the evaluation of the INSPIRE Directive by the Commission will also analyse the coherence between the INSPIRE Directive, the Public Access to Environmental Information Directive 2003/4/EC and Directive 2019/1024/EC on open data and the re-use of public sector information.
[6] Commission priorities for 2019-24 , A Europe fit for the digital age
[7] Communication: A European strategy for data, European Commission, 19.02.2020.
[8] Finance Package, Communication: Digital Finance Strategy, European Commission, 24.09.2020.

1.2 Market and legal context

Most legislation in the financial services and capital markets area[9] require the disclosure of information to the public, as shown in figure 1**. There are around 200[10] public reporting obligations** in total impinging on private entities, i.e. companies that are issuers of securities, asset managers, funds, banks, insurance entities, credit rating agencies, auditors, advisors, market intermediaries. Further details are provided in Annex 9. Public reporting obligations also impinge on regulators or other public bodies (not included in the figure).

Figure 1: Number of public reporting obligations per legislative framework



Source - BR-AG

Public disclosure requirements were introduced – inter alia – to ensure a **high level of investor protection**, to facilitate cross-border investments, to reduce asymmetry of information between company insiders, external investors, market participants, and for some reporting obligations (corporate sustainability reporting) also with a view to inform a broad range of stakeholders beyond financial services.

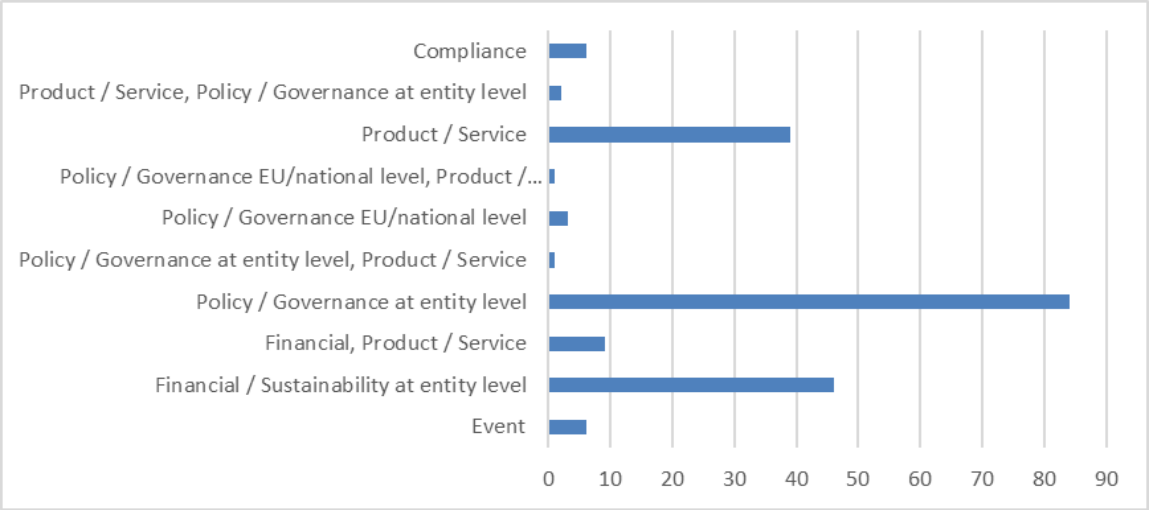
In order to make sound investment decisions, investors in capital markets must have access to information, including information published by entities, whether entity-related or product-related. Investor confidence and willingness to invest in capital markets, will depend on the easy availability, quality and comparability of this information. Likewise, the same is true for financial services in general.

There are various types of information that entities must publish due to reporting obligations[11]. As shown in figure 2, most of these are entity-related with, for instance, the

[9] In relation to inter alia capital markets, credit rating, investment, lending, insurance, asset management, funds (including UCITs), sustainable finance – whole list in Annex 14.
[10] Source: BR-AG.
[11] A reporting requirement corresponds to a legal provision requiring the publication of information that represent a coherent dataset. Such coherence usually stems from the fact that the reporting requirement is contained in a specific Article of the EU legislation. For example, considering the Transparency Directive, reporting requirements would include 8 reporting requirements corresponding to Article 2 (disclosure of home Member State), 4 Annual Financial report together with Audit report), 5 (Half yearly financial report), 6 (Country-by-country report), 12 (publication of notifications received, 14 (publication of the

measurement of a company's financial performance, the description of its governance and its environmental or social policies. Product-related information is the next typical type of information with, for instance Key Information Documents prepared by those who produce or sell investment products[12]. These may be intermingled in a certain type of reporting obligations as shown in the figure. A few additional reporting obligations relate to compliance with certain rules or relate to certain events relevant for the markets.

Figure 2: Number of reporting requirements affecting entities, by type of information



Source: BR-AG

Certain types of information are particularly valued. For instance, in response to the move towards sustainable finance, there is an increasing market push to get access to sustainability–related information. The Commission proposed in April 2021 the Corporate Sustainability Reporting Directive (CSRD to expand and improve ESG disclosures by private entities. Many stakeholders flagged this as critical information to support the identification of sustainability risks and opportunities and prevent greenwashing and to comply with the EU obligations in the financial services.

Acknowledging that access to information is an important aspect of capital markets, regulators of major third country market places have implemented a central access point to machine readable data[13]:

- In the U.S., the Securities and Exchange Commission implemented the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system in the 1990's. EDGAR performs automated collection, validation, indexing, acceptance, and forwarding of submissions by regulated entities and others who are required by law to file forms. EDGAR offers a Federal access point to users to information that can be often machine readable[14]. Information is freely available on an itemised basis via the Internet.

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proportion of its own shares), 15 (disclosure of total number of voting rights and capital at the end of each calendar month) and 16 (disclosure of any change in the rights attaching to the various classes of shares).

[12] See also study by Deloitte, Regulatory framework analysis for potential integration into the European Electronic Access Point (EEAP), June 2019.

[13] See benchmark in Annex 5.

[14] In terms of format, certain forms must be filed in XBRL format, others in XML format. The US GAAP taxonomy underpinning certain XBRL forms is developed by the US Financial Accounting Standards

- In Japan, the Financial Supervisory Authority launched EDINET（Electronic Disclosure for Investors' NETwork) in 2008. EDINET is an electronic corporate disclosure system under the Financial Instruments and Exchange Act. All listed or major fund-raising entities and investment funds in Japan are required to file their disclosure documents using the system, which are then made publicly available on the Internet through EDINET. All filers are, in principle, mandated to submit in XBRL format the financial statements included in their Annual Securities Reports, Semi-annual Securities Reports, Quarterly Securities Reports and Securities Registration Statements for fiscal years starting in or after April 2008.
- In Canada, the System for Electronic Document Analysis and Retrieval (SEDAR) is a filing system developed for the Canadian Securities Administrators to facilitate the electronic filing of information and allow for its public dissemination across Canada. The PDF format is the standard for SEDAR filings, but SEDAR filing application has been changed to also accept XML format for XBRL filings and XLSX format for certain exempt market filings.

In the EU, capital markets are regulated on a decentralised basis. National competent authorities (NCA) are responsible in each Member State for supervising securities and capital markets. The European Securities and Markets Authority (ESMA) was established to foster supervisory convergence amongst NCAs. As a result, **the EU has shaped the collection, dissemination, storage and standardisation of information published by entities in relation to financial services and capital markets mostly on a decentralised basis**, and with various channels. In the capital markets, the Transparency Directive organises the collection and dissemination of issuers' reports and insider information from a repository perspective at the Member States level, by entrusting national Officially Appointed Mechanisms (OAM) to perform that function. The OAMs are most often a public body (often the NCA) and less often a private body (such as a market operator). The European Securities and Markets Authority (ESMA) offers in addition access to certain information, such as prospectuses or credit ratings.

Overall, about 17% of the EU entities' public reporting obligations with interest for financial sector (excluding purely transaction related reporting obligations) are funnelled towards a national (Business Registers, Officially Appointed Mechanisms, NCAs – see list in Annex 10) **or an EU repository** (such as the European Supervisory Authorities - ESA) to offer an access point for the public.

For the rest, i.e. around 83% of the reporting obligations in the area of financial services and capital markets, the EU law specifies each company's web site as publication channel for about half of these, or provides no specific channel for the other half.

Sometimes, the EU law prescribes that for repository purposes[15], the information should be available in various places. For instance, pursuant to the Prospectus Regulation,

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Board. Filings of financial information prepared in compliance with the IFRS are accepted, based on the taxonomy developed by the IASB. The SEC has decided to migrate on a phased in basis until September 2021 to inline XBRL to replace XBRL Inline XBRL is used to create a document with the universal accessibility of an HTML document while also including the tagging functionality of XBRL. Hence, contrary to an XBRL document, an inline XBRL is both machine and human readable.

[15] Certain EU legislation require in addition the dissemination of information via media, which is beyond the scope of this initiative. For instance, Article 21 of Transparency Directive 2004/109 requires the issuer

prospectuses and Universal Registration Documents must be filed with an NCA which shall publish them on its website when approved. The NCA must then provide ESMA with an electronic copy together with metadata. Finally, ESMA makes them accessible on its register. As a result, prospectuses are made available to the public in multiple locations at national and EU level.

In practice, one can expect to find in the EU a great portion of the information on the web. Users[16] need to look for this information across multiple web sites or places (entities, registers, specialised bodies…).

It is estimated that around 16% of the public reporting requirements has structured content[17] based on layouts, templates or forms. This is due to the combined action of the EU law, national laws and ESAs, preparing the grounds for machine readability. Certain private initiatives seek to develop templates as well[18]. Structured information prepares the ground for machine readability, when a proper format is applied.

A specific IT format is mandated for only a few of these reporting obligations. In practice, IT formats are rarely defined at EU level, hence **the PDF format has become commonplace**. Some machine readable formats are determined at the EU, national or even at entity level. Formats encountered in the law include mainly XML, but also XHTML/iXBRL and MS-Excel. For instance, for the Annual Financial Reports of issuers of securities, the EU has developed the European Single Electronic Format (ESEF)[19], applicable from fiscal year 2021. The Commission has proposed with the CSRD to extend the ESEF to companies' sustainability reporting. Metadata can be also used as a proxy to machine readability. This is the case for instance for information stored by OAMs and for prospectuses and Universal Registration Documents (URD)

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to use such media as may reasonably be relied upon for the effective dissemination of information to the public throughout the Community.

[16] Annex 6 provides further analysis of would be users of the ESAP.

[17] Source BR-AG. For instance, layouts for the financial statements' in the Transparency and Accounting Directives as well as IAS Regulation, standard form for major holdings developed by ESMA, format of publication by investment firms of information on the identity of execution venues, data standards and formats for financial instrument reference data, metadata developed for the Prospectuses and URDs, as per Commission Delegated Regulations (EU) 2016/909, (EU) 2017/575, (EU) 2017/576, (EU) 2017/571, (EU) 2019/979, (EU) 2017/565, (EU) 2017/567 and Commission Implementing Regulation (EU) 2017/1005. There are also ongoing development as regards the PEPP-KID.

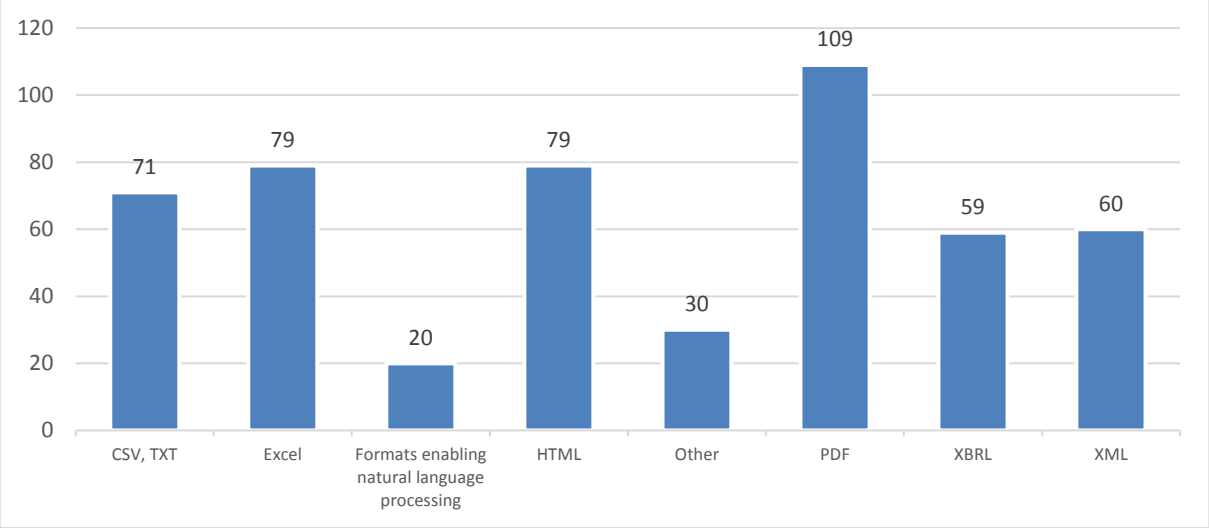
[18] FinDatex, for instance, is a joint structure established by representatives of the European Financial services sector industry. Its mission is to support the development and use of standardised technical templates to facilitate the exchange of data between stakeholders in the application of European Financial market legislation, such as MiFID II, PRIIPs and Solvency 2. The "EPT" templates are already used by the industry.

[19] Both human and machine readable. The ESEF regulation (EU) 2019/815 introduces a single electronic reporting format for the annual financial reports of issuers with securities listed on EU regulated markets. It sets out general rules on the format of the annual financial reports as defined in Article 4(2) of the Transparency Directive, and more specific rules on the marking-up of the financial statements included therein. The regulation stipulates that all issuers must draw up and disclose their annual financial reports using the eXtensible HyperText Markup Language (XHTML) format. In addition, issuers that draw up their consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) have to mark up those consolidated financial statements using inline eXtensible Business Reporting Language (iXBRL) and block-tag the notes to the financial statements.

which must be accompanied by structured metadata in XML format for the classification in ESMA's register[20].

Users report (figure 3) that **PDF, HTML and Excel remain the most common format** and that two of the most commonly encountered, namely PDF and HTML formats are rather not or hardly useable by electronic means (data extraction). Certain formats commonly encountered can be nevertheless considered machine readable (CSV, Excel, XBRL...). Other formats include for instance images or videos or proprietary formats which are likewise hardly digitally usable.

Figure 3: Electronic format of entities' public information encountered by users



Source European Commission - stakeholder consultation, results of response to question 4 (several responses allowed)

2 PROBLEM DEFINITION

The Fitness Check on financial and sustainability public reporting by companies conducted by the Commission until 2021 covers a portion of the public reporting obligations that are relevant for financial services and markets. The Fitness Check assessed primarily whether the EU framework on corporate reporting has achieved its objective of providing stakeholders with financial and non-financial information that is sufficient in quantity and quality to enable them to make informed decisions and protect their interests, make investment decisions, and hold companies publicly accountable. Its conclusion highlighted the positive impact of the adoption of IFRS in the EU for listed companies, which has improved transparency. However, both for financial and non-financial reporting, **the Fitness Check noted that digital policies have not been developed to their full potential**, thus reducing considerably the efficiency of the EU transparency measures. In addition, the Fitness Check noted that even though preparers tend to see digitalisation as a source of additional burden[21], users of information **demand that data become further digitised in order to enable electronic use in modern ways**. Key features are whether data is i) digitally readable (enabling easier use); ii) properly

[20] As regards information in the remit of the Transparency Directive, Commission Delegated Regulation (EU) 2019/979 specifies metadata and search functions. As regards documents in the remit of prospectuses, Regulation (EU) 2017/1129 provides a set of metadata which will enable the indexing of prospectuses on ESMA's website.

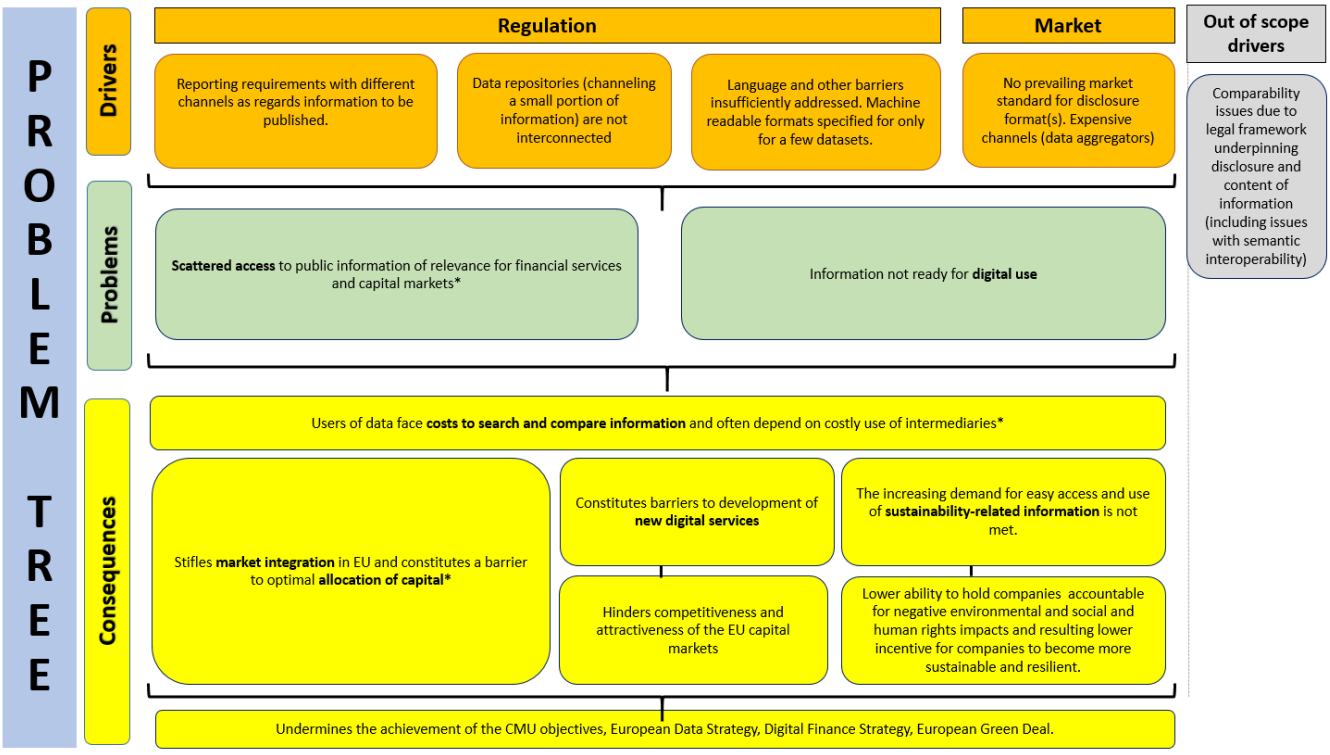
[21] Commission Staff Working Document - Fitness Check on the EU framework for public reporting by companies, SWD/2021/81 final.

disseminated (where and when information can be accessed); and iii) trustworthy (i.e. ensuring reliability, identification and integrity of information). The Fitness Check noted that the EU framework provides large leeway to Member States in developing national digital approaches and solutions. Some Member States have ambitious digitisation programmes. However national approaches are not prone to being interoperable at EU level.

The High Level Forum on CMU noted that Market-based financing is hindered by inefficiencies of the EU ecosystem including the lack of easily accessible, reliable, understandable and comparable information in the financial services and capital markets area. This is also one of the reasons why companies, in particular in smaller market places, struggle to attract investors[22].

The **problem tree** in Figure 4 summarises the drivers, problems and consequences of this situation.

Figure 4: Problem Tree



Source: European Commission

2.1 What is/are the problems?

2.1.1 Scattered access to information

Stakeholders report that nowadays, the most popular channel to get information is the companies' web sites (79% of respondents). Next in line data aggregators are often a key source of information (64%). Finally, public repositories are also mentioned as a source (59%). Other channels include direct access (e.g. a bank can request documents directly

[22] EIB, Breaking Down Investment Barriers at Ground Level, 2016.

to a company), media and social networks, annual general meetings of shareholders, business registers, gazettes, specific platforms on the internet and NGOs' reports.

Stakeholders consulted[23] (preparer-users, users, regulators and other stakeholders) report that they experienced **difficulties in accessing information** of relevance for the financial services and capital markets, including information which market participants and other entities must publish pursuant to EU law.

Barriers to access are multiple, starting with the multiplication of access points, as most of the information published by private entities is accessible solely from those entities' individual web sites. In the case where repositories are implemented (OAMs, NCAs), those are dispatched by Member State. And within each Member State, there may be several repositories containing part of the information divided thematically, or along other factors (e.g. several repositories with the same mission). Given this multiplication of access points, and a lack of standardised metadata or search criteria users report, and despite web search engines, stakeholders report that they face important **barriers to discovery**, raising questions where to search information, whether complete information can be gathered, and whether certain information even simply exist.

Additional barriers include whenever **access fees** (even the smallest) is claimed. Uneasy retrieval, unfriendly user interfaces, **inability to bulk download** are also problematic.

In terms of access fees, it can be considered that when legislation requires a company to publish information on its web site, this makes it de facto available for free. The EU law may also require that entities provide direct access free of charge to certain information[24]. In addition, most of the OAMs, NCAs and ESAs provide access free of charge on their own registers, at least on an itemised basis. Hence, all in all, it is estimated that access free of charge to raw data is ensured by legislation for at least 50% of the reporting obligations.

2.1.2 Information not ready for digital use

Once a user has managed to get access to information, stakeholders consulted (67%) report that they encounter hurdles to use and compare this information. The most frequent reasons for this are the use of formats that do not allow easy extraction of data (pdfs, images...), insufficient data structuring, quality issues, linguistic barriers, as well as usage restrictions due to terms of use or copyrights.

This makes the exercise of using and especially comparing data difficult and costly[25].

2.2 What are the problem drivers?

2.2.1 Reporting requirements with different channels as regards information to be published.

Digital access and use of information in the area of capital markets and financial services are driven to a large extent by the EU law. The latter is organised by specific economic sectors or functions, resulting in a **silo prone approach**, where public information is

[23] See Annex 2 – synopsis of consultations activities and Annex 4 - minutes of a workshop with users.
[24] For example, among others, articles 9a and 9b of the SRD II on the directors' remuneration policy and remuneration report.
[25] Synopsis of consultation on ESAP (Annex 2). Minutes of the e-workshops (Annex 4).

ancillary to core measures attaching to each sector addressed, with its own technical specifications and publication channels.

For instance, in the capital markets, the EU law drives the repository functions to be organised mainly on the basis of national repositories, i.e. OAMs, and NCAs, whilst only a small part of information is to be made accessible at the level of ESMA. ESMA has a duty to build a number of registers[26], covering in part information published by entities such as credit ratings, prospectuses or UCITS management entities. These include an estimated 8% of the public reporting obligations of entities. As observed in the mapping of current legislation (annex 21), practices are diverse depending on each legislation as regards the channels to be used for the public reporting obligation, formats, etc.

The EU law also drives to a large extent as a result the fact that a significant proportion of the information is published by companies on their own web site rather than through national repositories or NCAs, either because this is how the reporting obligation is framed by the EU law, or because the reporting obligation remains silent as to how that information should be published.

2.2.2 Data repositories not interconnected

Despite efforts at the EU level to start interconnecting the OAMs via a web portal to be built by ESMA, the "European Electronic Access Point", this portal is not yet operational. The EEAP aimed to permit central access to the annual financial reports and other information published by issuers of securities in regulated markets[27].

A number of private attempts to develop central access points as an alternative to data aggregators were identified but these do not match all the desired functionalities (including access for free to timely and re-usable information) and scope (complete geographical and thematic information) (annex 22).

2.2.3 Machine readable formats for a few datasets

Market forces have driven entities to draw up information generally in PDF, which has become the most commonly found format. Depending on how information was embedded (for instance scanned PDFs), documents in PDFs may not always allow for simple data extraction.

Users report that **in many instance, information published by entities is in formats that simply do not allow to extract data** (images, proprietary formats, scanned pdfs...). This is a problem because if information available online is mainly human readable but not readily usable electronically, processing costs to make data usable electronically can be significant as they generally require human intervention: scanning and recognition software, rekeying, etc.

In terms of machine readability, the **EU has undertaken to digitise an increasing part of the information to be published with various levels of ambition**. Currently the EU

[26] ESMA's portal provides currently information for registers falling under Directives 2010/78/EU (OMNIBUS) and 2011/61/EU (AIFMD), EU Regulation 345/2013 (EuVECA), EU Regulation 346/2013 (EuSEF), EU Regulation 236/2012 (Short Selling), the MiFID implementing Regulation 1287/2006, the Directive 2014/65/EU (MiFID II) and Regulation (EU) No 600/2014 (MiFIR), and the Credit Rating Agency Regulation 1060/2009.

[27] Article 21a of the Transparency Directive.

law prescribes not more than 5% of the reporting obligations in the financial area to be effectively machine readable. These are mainly the IFRS consolidated financial statements of issuers of securities in regulated markets (ESEF), prospectuses (XML metadata) and a few additional information.

Whereas users report that machine readability is the primary issue is relation to formats, there are various degrees and steps in reaching full machine readability (Annex 20). Intermediate steps having to do with machine readability include for instance data portability or data extractability. Nowadays, full machine readability requires in addition data structuring. Stakeholders may have had different views on the level and extent of issues when reporting problems in connection with machine-readability during consultation: focus could be with varying degrees depending on the respondent on standardised formats, data extractability or underlying data structuring[28].

2.2.4 Language and other barriers insufficiently addressed

Six EU legislation (out of more than 30 in the area of financial services and capital markets), covering 24% of the entities' public reporting obligations address the language in which information is drawn up and published[29], in different ways:

- three legislations consider that the information should be drawn up at least in the official language of the Member State where the information is made publically accessible;
- one legislation considers language from the prism of the native language of consumers;
- five legislations permit information to be drawn up in a language accepted by the national authority other than the national language (in addition to, or alternatively to the national language). Out of these, three legislations specify that this additional language should be one that is "customary in the sphere of international finance" and implement a right for emitters of information to override any other language on that basis.

In practice, whilst some efforts are made to make the information available in a language that is understandable by the intended users, the **language will vary depending on the EU provisions applicable by type of information (depending on the applicable EU law), but also on Member State's laws[30], market practices and private entities' decisions**.

Whereas consultation outlined the need for accurate and high quality data, this is largely driven in terms of content – and should remain the prerogative – of sectoral legislation. Nevertheless, consultation outlined problems encountered by stakeholders such as data errors, inconsistent formatting, inefficient data tagging, lack of completeness/accuracy of data, especially in the area of ESG information. These problems drive the perception that there are barriers to use as reported by 67% of respondents to the consultation. These problems are in the scope of this initiative, from the angle of compliance with IT specifications, in other words, outline the general need for digital validation checks on information.

[28] Consultation on the ESAP – Summary of responses – Q6, page 8.
[29] UCITS, TD, MIFID/R, PROSPECTUS, PRIIPS, PEPP.
[30] Summary report - targeted consultation on ESAP, as well as Annex 2 and 4.

Other barriers, include varied or inadequate **terms of use and re-use.** These are generally not addressed by the EU sectoral or other legislation in the area of financial services and capital markets. Terms of use, if any, are therefore largely left to Member States, access points or private entities to define. As observed on the basis a limited survey, national or specific own terms of use are introduced as regards national repositories. At the EU level, ESMA has also its own terms of use for information accessed from its website[31]. Companies may introduce their own terms of use[32]. The terms of use are varied and sometimes rely on open licenses designed at national level or building on Creative Commons type[33]. In addition they sometimes limit the reuse of information by introducing copyrights, database rights, limits to commercial reuse or specific obligations.

The integrity and credibility of the sources were mentioned as important characteristics by stakeholders consulted (respectively 63% and 83%) of information, and underlined as a potential source of problem if not properly addressed by 85% of respondents. Nowadays, the EU legislation in the financial services and capital markets offer limited directions or provisions in this regard[34].

Finally, 79% of stakeholders outlined timeliness as a key characteristic of information. Timeliness should be understood from the perspective of information being made available once a company makes it public, as otherwise the frequency and delays of reporting obligations depends on each sectoral legislation and is not covered by this initiative.

In terms of machine readability, the **EU has undertaken to digitise an increasing part of the information to be published with various levels of ambition**. Currently the EU law prescribes not more than 5% of the reporting obligations in the financial area to be effectively machine readable[35]. These are mainly the IFRS consolidated financial statements of issuers of securities in regulated markets (ESEF), prospectuses (XML metadata) and a few additional information.

2.2.5 No prevailing market standards for disclosure formats and expensive channels (data aggregators)

Given the leeway offered by the EU law, the market has driven formats towards open source Portable Document Format (PDF) in many cases. However depending on how information was embedded (e.g. PDF based on scanned images), this format may not always allow for simple data extraction and it is generally not suitable as a machine readable format[36].

As seen in consultation activities, stakeholders report as a common practice the **use of paid services from data aggregators to access information.** This market led solution enables to alleviate the problems identified however come with a price tag for the service

[31] Including for instance disclaimers to be reproduced – see ESMA Legal Notice.
[32] For instance: https://entreprise.maif.fr/mentions-legales.
[33] A desktop survey of five large financial centres in the EU (France, Germany, Ireland, Luxembourg and the Netherlands) show that all OAMs, even if they provide access free of charge to information, usually put mild to strong terms of use and re-use on the information retrieved from their websites (Annex 19).
[34] Most noticeably, Article 21 of the Transparency Directive requires that OAMs provide « minimum [...] certainty as to the information source".
[35] BR-AG – Annex 11.
[36] OpendataHandbook.org.

and other drawbacks such as own (non-interoperable) formats and standards and digested information.

2.2.6 Drivers out of scope

Difficulties in comparing information due a lack of **semantic interoperability** observed among the various sectoral legislation is out of the scope of this initiative. Whereas there is no reason to downplay the importance of this problem in enabling the digital use of information, semantic interoperability has to do with the inner building of the information, the design and content of which has largely to do with the objectives and design of sectoral legislation, including by ways of own definitions and concepts underlying the content.

The Commission has undertaken to advance on this front in a separate initiative with the development of a common data dictionary under its supervisory data strategy, to ensure data consistency and standardisation across financial sectors. This dictionary will describe the content and format of all data collected under various reporting frameworks in a structured, comprehensive, consistent and unambiguous manner, using terms anchored in legislation to establish a clear link between collected data items and the relevant legislative requirements. While this initiative will address primarily supervisory reporting, it will also aim to coordinate the data specifications with public disclosures. Therefore it is expected to have ramifications over public reporting.

Nevertheless, the development of a common data dictionary will have little impact on the design of this initiative, in particular its scope and costs. This is because the data dictionary is a longer term initiative, and it aims to describe the reported (and disclosed) information, whereas this initiative focuses on making the disclosed information more accessible and more easily readable by machines. The two initiatives are complementary as, the development of a common dictionary has the potential to aid the interpretation and comparability of disclosed information and hence facilitate its use.

2.3 What are the consequences?

2.3.1 Users are hit by a lack of integration

Fragmentation as regards the information flows on the European markets and financial services drives the costs up for discovering, accessing and processing the information users need. This is also a deterrent to research, and cross border analysis[37].

About half of stakeholders consulted find that costs for retrieving and processing information are generally high. Users, preparer-users and other stakeholders, who reported 'high" costs generally justified their opinion by the fact that they use data aggregator services for a fee. Retail investors and civil society tend to find this source quite costly (or even unaffordable).

The problems identified drive the significant search and processing costs experienced by stakeholders to get information and compare it. The situation is also a hindrance for users to **compare**[38] **information**, either directly or indirectly. About half of

[37] CMU HLF.

[38] Due to the inability to access or digitally use information. Comparability issue may also be due in part to a lack of semantic interoperability (for instance a concept such as "revenue" has several definitions or calculation methods depending on the Generally Accepted Accounting Principles applied).

respondents to our consultation find that costs for retrieving and processing information are high. Costs to acquire data and bring it in a stage where it can be digitally used generally require human intervention: scanning and recognition software, rekeying, etc. Such costs are comprised mainly of staff costs, licensing or access fees, software, translations. As a result, on average respondents find that costs for retrieving and processing information that is mandatorily published in the area of financial services and capital markets are high, either with licenses acquired from data vendors or without such licenses. This is particularly acute as regards sustainability-related data which is currently more difficult and costly to obtain than standardised financial information publicly disclosed by listed entities.

For basic use, one respondent estimated that the annual cost of a licence to use a commercial database platform for capital markets is between €7,500 and €17,500. A fund respondent estimated that a mid-sized fund manager can spend anywhere between EUR 250-600k on ESG data while a larger fund manager can spend anywhere between EUR 600k – EUR 1.5mn (fund managers will often use multiple data vendors to enhance the coverage and as part of the analysis and validation). A large insurance company estimated its own costs reached millions of euros.

2.3.2 The problems hinder access to ESG information

Another consequence is that **the increasing demand for ESG information by market participants is not met**. A **vast majority of respondents to the ESAP targeted consultation[39] underlined their difficulties to easily access and digitally use ESG and other types of information published by entities**. This statement has been echoed by members of the Technical Expert Stakeholder Group on SMEs (TESG)[40], as one of their recommendations is to "*facilitate the process of data collection*". The European Green Deal aims to place sustainable finance at the heart of the financial system. Introduction of new disclosure obligations, such as those related to EU Taxonomy, SFDR and recently proposed CSRD, will on one hand increase transparency on sustainability impacts and risks, but also further increase demand for access to reliable sustainability, related data. Continued uneasy access to sustainability-related data and barriers to their digital use hinder the ability of investors to reflect sustainability-related risks and impacts in their decisions and hence to effectively contribute to the Green Deal via sustainable investments. This reduces as well the ability of investors, governments and civil society to hold companies accountable for negative environmental, social and human rights impacts, resulting in lower incentive for companies to become more sustainable and resilient.

2.3.3 Users are impacted in the same way, although on a different scale

Different types of **users report that they experience similar problems, however on a different scale.** Users are varied (e.g. large professional investors, retail investors, funds, civil society, data aggregators, consumer organisations) with different size, objectives and hence their data consumption needs are also varied. As a result, the impacts of the problems are of different scale and nature for different user types. One aspect that illustrates this is the different scale and frequency of data that stakeholders need to access: while professional investors seek frequent access to large volumes of information, retail investors typically find smaller volumes of information and occasional

[39] Synopsis of ESAP consultation (Annex 2) + minutes to the e-workshops (Annex 4).
[40] Technical Expert Stakeholder Group on SMEs (TESG), final report, 2021, p.47.

access sufficient. National and EU public bodies have shared their interest in accessing information notably for statistical, supervisory or other public-interest purposes. Correspondingly, the magnitude of search costs or impairments to decision making due to missing or difficult to use data that different users bear also differs. **Data aggregators** interviewed or consulted, despite being in the business of disseminating information, report **similarly** that these issues are an annoyance for them in harvesting raw data for their business, and a driver for loss of productivity.

During the workshop with users (Annex 4), there was a strong message that access to information is not optimal. Despite their different backgrounds and different degree to which they are impacted by the observed problems, users generally indicated that their needs could be well addressed in a similar way, either directly or indirectly, by a system that provides easy access to publicly available financial and sustainability-related "raw" information (Annex 4).

2.3.4 Problems for entities in smaller capital markets and smaller entities / SMEs

The prevailing fragmentation in access to data is one of the long-standing barriers to the integration of financial markets across the EU[41]. By making it difficult and costly for investors to find, analyse and ultimately compare relevant information (including for retail investors and financial advisors to compare financial product information), this situation also presents a **barrier to optimal allocation of capital**. As such, this problem undermines the functioning of the internal market.

On the funding side, the problem is acute for smaller companies and / or companies in smaller capital markets which have generally less visibility due to the situation. For instance, it has been noted that it makes SME research more difficult[42]. As a result, their attractiveness to investors is not optimal, especially from a cross border perspective[43].

Home bias is in the EU a natural barrier to integration for cultural, historical and linguistic reasons. This is observed on the demand side as regards funds flow[44] but also on the demand side as more than 95% of EU companies going public do so on their local exchange[45]. In finance, the fragmented European market affects in particular SMEs, which can in turn hamper their ability to expand beyond their own borders[46].

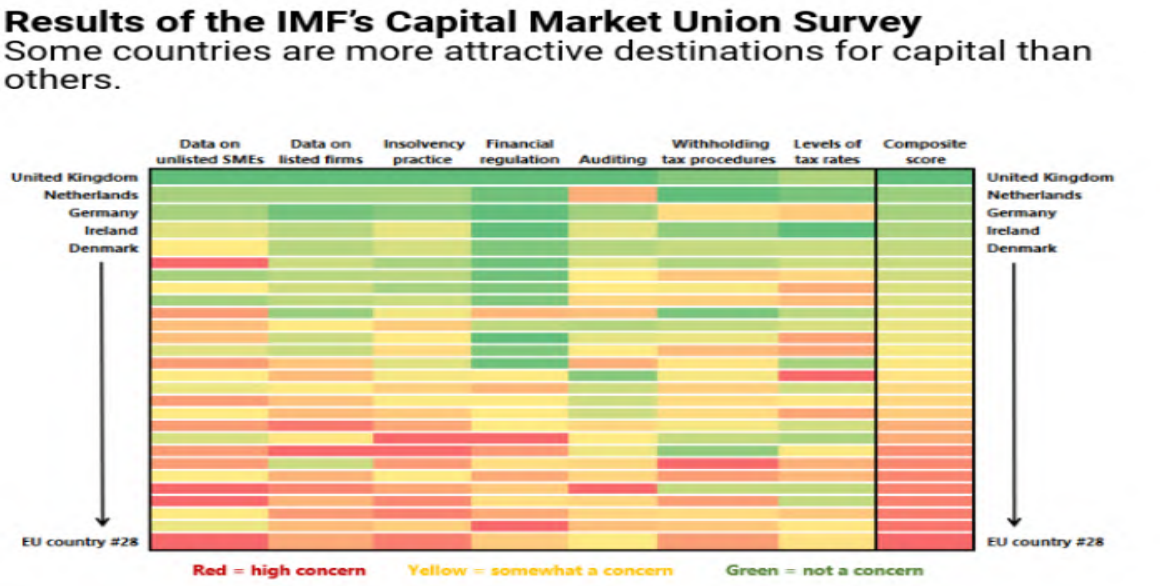
Due to home bias, SMEs and non-listed entities often have to rely on national markets. This reduces their chances of finding capital/investment opportunities, as investors tend to rely on more developed capital markets in cross border situations[47]. This national or home bias furthermore limits the Union's economic resilience by hindering geographical and sectoral diversification of funding sources. A survey of the IMF (figure 5) shows the

[41] As stated inter alia by the CMU HLF, NewFinancial, the IMF, the EIB.
[42] https://ec.europa.eu/info/news/cmu-high-level-forum-final-report_en.
[43] In large financial centres foreign holdings make up between 35 and 65% of total equity investment. Over half of the total foreign equity holdings in the EU-27 are for investments in firms based in France, Germany, Ireland, Luxembourg and the Netherlands as shown in a study on Primary and secondary equity markets in the EU, Oxera, 2020.
[44] See PWC - Capital Markets Union: Integration of Capital Markets in the European Union, 2015.
[45] 'The problem with European stock markets', by William Wright & Eivind Friis Hamre, March 2021.
[46] European Investment Bank, Breaking Down Investment Barriers at Ground Level, 2016.
[47] For instance, a study indicates that the trading platforms (including MTFs) that have successfully grown and developed to operate across borders typically cover securities domiciled in large financial centres in Western Europe, and not the majority of securities domiciled in smaller financial centres in Central and Eastern Europe (study by Oxera, Primary and secondary equity markets in the EU, September 2020).

large discrepancies between Member States' attractiveness for capital, where access to data on unlisted SMEs plays a role.

It also shows that data on unlisted SMEs are of high concern in multiple Member States. The International Monetary Fund (IMF) stated that "*European finance is still sharply segmented along national lines, with savers and investors depending heavily on national banking systems. Although the landscape is dotted with many different types of investors and intermediaries, their focus is mostly domestic—"home bias" is pervasive. […] This is a problem because it results in an uneven playing field: the financing costs companies pay depend hugely on their country of incorporation, collateral-constrained start-ups find it hard to get any funding at all, and consumption is not shielded from local economic shocks*[48]."

Figure 5: Results of the IMF's Capital Market Union Survey



Source: IMF

As seen during the examination of barriers to the single market[49], risk capital continues to be scarce for high-growth SMEs. As echoed by business organisations, the difficulty in accessing funding affects both domestic and non-domestic businesses alike. However, it would affect disproportionately those businesses that are trying to expand in the markets with limited access to capital, compared to already established businesses. Among root causes, insufficient level of available credit information, insufficient legal/financial information about potential business partners in other countries, and the fragmentation of EU capital markets along the national lines were mentioned.

[48] https://blogs.imf.org/2019/09/10/a-capital-market-union-for-europe-why-its-needed-and-how-to-get-there/ .

[49] Communication and accompanying staff working document, Identifying and addressing barriers to the Single Market, European Commission, March 2020, COM/2020/93 final, SWD(2020) 54 final.

Indeed, as an illustration a Netherland Industry paper[50] stated that the "*lack of access to finance still constitutes a significant drag on doing business in the euro area, especially for smaller companies. In the wake of the covid crisis, the prospects for SME finance have become bleaker still. The Netherlands stands out negatively in the euro area, with SME finance having shrunk as a percentage of GDP since the 2008-09 financial crisis. [...] A key reason companies, in particular small and innovative ones, have difficulty obtaining funding, is a lack of readily-available corporate data*."

2.3.5 Other consequences

Fragmentation of capital markets is detrimental to a smooth functioning of the market and drives higher cost of capital, especially for listed companies which in turn makes becoming or staying listed less attractive[51].

The situation is also a **hindrance to developing new digital services,** such as services around the digital comparison of EU wide complete sets of data for a given sector, which is key for investment decisions. Companies in the rating business (ESG or creditworthiness) report that the lack of digitalisation and easy access are barriers to their ability to develop complete, reliable and forward looking service offers.

Overall, the situation **undermines the achievement of the CMU objectives, the European Data Strategy, the Digital Finance Strategy and the European Green Deal**.

2.4 How will the problem evolve?

During consultation, some stakeholders contended that the **emergence of new technologies** such as artificial intelligence (AI) and machine learning (ML) combined for instance with Optical Character Recognition (OCR) could in the future improve the digital use of documents that contain non-structured data in any IT format, with the potential of solving, at least partly, the problem.

It is difficult to predict whether such emerging technologies would enable any user to obtain reliable results at a reasonable cost in the foreseeable future, absent any intervention[52]. There are nevertheless reasons to believe that this hypothetical scenario will not solve the problem. Building solutions based on artificial intelligence or machine learning would require that vast amounts of available data are readily available, accessible and usable. Without an intervention, information would continue to be collected from thousand different sources including companies' websites, local databases or storages – possibly however easier to search with search engines but still subject to various terms of use, various user interface etc. preventing easy access and re-use. For this purpose, the Commission aims precisely to build common data spaces, recognising that easier access and usability are a premise to the emergence of such new technologies[53]. In addition, the problems noted on harmonization in several dimension

[50] Fixing SME Finance Position Paper to Establish a Task Force SME Finance.
[51] 'The problem with European stock markets', by William Wright & Eivind Friis Hamre, March 2021
[52] Final report of the Expert Group on Regulatory Obstacles to Financial Innovation: 30 recommendations on regulation, innovation and finance, 2019, p. 30-31.
[53] The Digital Europe Programme provides funding for projects in five crucial areas, including artificial intelligence. Regulation (EU) 2021/694 establishing the Digital Europe Programme supports the creation of common European data spaces that will make accessible data across Europe, including information gathered from the re-use of public sector information, and become a data input source for AI solutions.

like document metadata, data structuring and semantic interoperability would impinge negatively on the quality of the output information that would be based on a fully automated interpretation of data. Addressing these inefficiencies from the market angle would require huge investments in not only technologies[54] but also human resources and gathering of data. As a result the total cost of investment would be high[55], raising doubts whether this would result economically more efficient in the medium term than services offered by data aggregators.

Given the persistence of the problem and absent new impetus, it is unlikely that **EU markets and financial services would start integrating naturally, in a coordinated move, overcoming, for instance, the home bias observed on information flows**[56].

A number of ongoing initiatives at regulatory level may nevertheless modify slightly the landscape. There are medium to longer terms plans for the ESAs (ESMA, EIOPA, EBA) to provide a better and/or centralised access and more usable digital formats of certain information published by entities in their remit, such as PEPP-KIDs, insurance companies' solvency and financial condition report, banks' transparency 'pillar 3' reports, credit ratings. Whereas these initiatives could address partly the problem, this would remain confined to a few reporting obligations, based on each ESA's agenda, specifications and access point.

Company Law mandates that by August 2023, all documents and information submitted as part of the formation of a company, the registration of a branch, or a filing by a company or a branch, is stored by the registers in a machine-readable and searchable format or as structured data[57]. The impact of this initiative would remain limited for the objectives of ESAP, given the very limited overlap of information covered between Company law and this initiative, whilst other problems noted are not addressed.

The Open Data Directive (EU) 2019/1024 (ODD) – to be transposed by 17 July 2021 – is a prominent initiative. An implementing Regulation on High Value Datasets will ensure an open data approach at national level as regards information delivered by certain national bodies (where public) offering access to on companies and company ownership, that is an estimated three reporting obligations within the scope of this intervention. This policy builds on national systems, hence access would remain scattered on this basis.

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[54] Hidden Technical Debt in Machine Learning Systems, D. Sculley, Gary Holt, Daniel Golovin, Eugene Davydov, Todd Phillips – 2015.

[55] Two of the main cost factors for AI is the availability of large amounts of proper data for running the machine learning and the data preparation and labelling for enabling the machine learning.

[56] For instance as regards retail investment, "despite all efforts and documentation, gathering independent and comparable information on product features is still perceived as a challenge for most investors. From the entire universe of potential aids to investing, the one most efficient would be to focus on the ways to provide a practical solution to increase transparency and comparability of retail financial products, that could be accelerated with the creation of an investor products hub (i.e. a database), containing complete, correct and independent information about all managed financial products available across EU capital markets".- Study on options for development of online tools and services supporting retail investors in investment decisions, European Commission, 2020. "retail investors have access to a wide range of products through various distribution channels but face huge challenges in collecting information, comparing data or getting independent advice on the different products on offer" in Study on the distribution systems of retail investment products, 2018.

[57] Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law, Article 16(6).

In terms of format, the EU adopted in 2019 the European Single Electronic Format[58] which implements a machine readable format (XHTML combined with inline XBRL) of the consolidated Annual Financial Reports in IFRS of issuers of securities on regulated markets, that is an estimated 3 500 companies. Same information of around 1 000 additional issuers in the EU regulated markets would become data extractable (XHTML) by the same token. The ESEF is an important stepping stone – not yet fully implemented in the markets – that will deliver on the objective of increased digital use of information, however for a limited number of reporting obligations and market participants.

As regards ESG information, the European Commission adopted on 21 April 2021 a legal proposal as regards corporate sustainable reporting[59] which will cater for the need of structured and machine readable corporate sustainability reporting[60], addressing one of the key concerns on ESG information raised during consultations. This Commission proposal for sustainability reporting concerns 37 500 listed (regardless of size) and large non-listed entities publishing corporate sustainability reports[61]. If adopted by the Union, this would represent undeniable progress but would not solve the problem globally.

On the access side, the EU envisaged a European Electronic Access Point (EEAP)[62] as a web portal gathering in a single access point information collected by the OAMs. This portal has not been developed and the EEAP has now lost relevance considering the scale of the problem examined: it would have a rather limited coverage (6% of the reporting obligations) and access through web portal planned for the EEAP is no longer future-proof considering technological developments. Furthermore, the EEAP does not address problems such as terms of use, quality, integrity of information, etc. For these reasons, the EEAP cannot solve the problem in an extensive way.

3 WHY SHOULD THE EU ACT?

There is a widespread belief that capital markets remain underdeveloped in Europe"[63]. The European Parliament has long been stressing the need for deepening European capital markets in order to ensure access to financing from sources other than banks and to address barriers to cross border investments[64]. Adding to this, the shift towards sustainable investment and digital finance drive this initiative where information has a key role to play in the wider dimension of financial services area.

Data should be more easily accessible and ready for digital use for investors, including on a cross border basis. An EU intervention to reduce fragmentation, by ways of e.g. a single access point, would remove one of the main obstacles that discourage investors – especially from other Member States or third countries – from accessing smaller national capital markets or from providing funding to SMEs.

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[58] Regulation (EU) 2019/815.
[59] Proposal for a Corporate Sustainability Reporting Directive (CSRD) of 21 April 2021, as part of the sustainable finance package .
[60] European Commission's Taxonomy package, 21 April 2021. The CSRD is aligned with other EU initiatives on sustainable finance, in particular the Sustainable Finance Disclosure Regulation (SFDR) and the Taxonomy Regulation.
[61] Commission proposal of 21 April 2021 for a Directive on Corporate Sustainability Reporting and accompanying impact assessment.
[62] Art. 21a, Transparency Directive.
[63] Bruegel - Europe should not neglect its capital markets union, June 2021.
[64] European Parliament – Report on the attractiveness of investing in Europe, (2011/2288(INI)).

3.1 Legal basis

The Treaty on the Functioning of the European Union (TFEU) confers upon the European institutions the competence to lay down appropriate provisions that have as their object the **establishment and functioning of the internal market (Article 114 TFEU).** The aim and content of the legal acts to be amended as a result of this intervention could also include acts based on Articles 50(g) on the coordination of Member States requirement for EU companies with a view to making such safeguards equivalent throughout the Union in relation to the **right of establishment**, and/or Article 53(1) TFEU on the taking-up and pursuing of activities by **self-employed persons**, which is used to regulate financial intermediaries, their investment services and activities.

3.2 Subsidiarity: Necessity of EU action

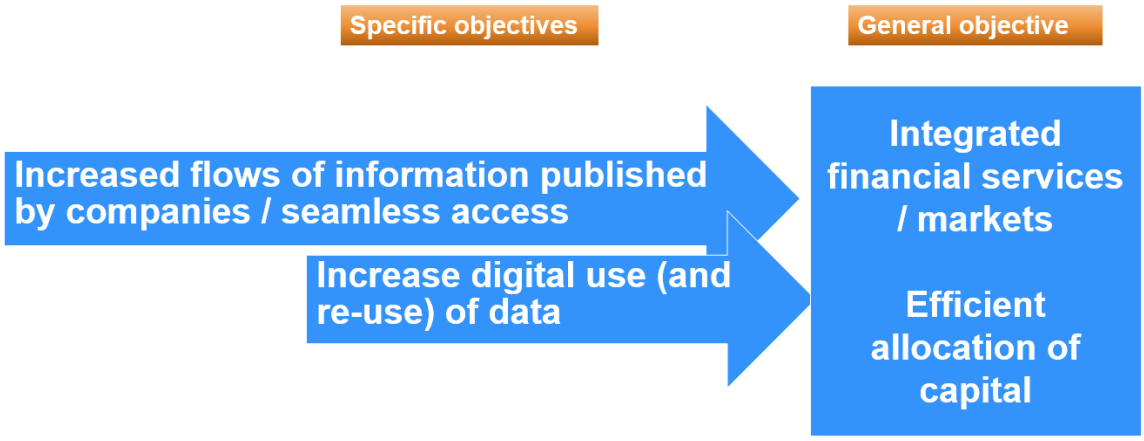
The objectives of this initiative cannot be sufficiently achieved by the Member States individually. The Member States have currently certain leeway for the design of rules on mechanisms and formats of corporate reporting obligations set out by the EU legislation, with heavy reliance on national systems. The resulting **geographical and thematic fragmentation of disclosure mechanisms and formats** is pervasive in the Union and increases costs for users of corporate information. Further individual actions by Member States would not reduce this fragmentation unless they move in the same direction to build a single access point and address a number of barriers, which is unlikely without a **coordinated approach**.

3.3 Subsidiarity: Added value of EU action

Enabling better access to information at the EU level, considering the scale and the effects of such a project, is an objective that can be **better achieved at Union level**. In addition, the design of suitable formats, terms of use, language specifications, etc. necessitates a certain degree of harmonisation at the EU level so as to enable interoperability and cross border access and use. There is widespread support for such initiative from governments, regulators, regional or national market participants, users, civil society, etc. Therefore, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, this initiative should not go beyond what is necessary in order to develop and operate the ESAP. **This intervention will not add to, or modify existing reporting obligations in terms of content,** as this is the prerogative of sectoral legislation. In order to minimise the burden on entities and national authorities, it would be appropriate for the ESAP to **build as much as possible on the existing data reporting channels and infrastructure.** Nevertheless, the EU intervention will add value by streamlining in an efficient way the delivery of usable information to users on a cross border basis which would not be possible through different national access points.

4 OBJECTIVES: WHAT IS TO BE ACHIEVED?

Figure 6 : Objectives



Source: European Commission

4.1 General objectives

In response to the problems identified, the **overall objective of the European Single Access Point is to contribute to integrating the European capital markets and the financial services (including across borders within the Union)** and to foster a more efficient **allocation of capital across the EU**. This would strengthen the resilience of the EU's economy through broader private risk sharing and would thus contribute to the objectives of the Capital Markets Union and the Digital Finance Strategy. In addition, the intervention supports better access to sustainability-related data. Efficient allocation of capital encompasses the re-orientation of investments towards more sustainable activities, thus contributing to making Europe climate neutral by 2050 in the frame of the Commission's Green Deal[65].

The intervention should have **regard primarily to users'**[66] needs, especially investors, financial analysts and market intermediaries such as asset managers, advisers or data aggregators. Other types of users may see an interest in obtaining the information, for instance civil society, public authorities, law-makers or economists and this also contributes to an efficient functioning of the internal market. As mentioned in a paper studying EU markets, "*consolidating corporate information into a 'EuroEdgar' will help" [integrating the markets]. "Particular focus could be placed in on removing the many hidden (and not so hidden) national barriers for investors, intermediaries and exchanges*"[67]. Barriers to access and use of information published by entities in the financial services and capital markets area will therefore have to be examined, as well as the numerous existing channels and lack of interconnection of existing national or EU repositories.

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[65] Transition to a carbon-neutral and sustainable economy requires substantial investments. The EU will need to invest, every year, €350 billion more over the period 2021-2030 than it did in the period 2011-2020. This is essential to meet the ambition of reducing greenhouse gas emissions in the EU by 55% in 2030 compared to 1990 levels. Public funds will not be sufficient to meet these financing needs. Sustainability-related information is key to redirect investments into projects that will support the green transition, as underlined by stakeholders in the consultation on the renewed sustainable finance strategy.

[66] Annex 6 seeks to analyse more deeply the types of users.

[67] The problem with European stock markets, New Financial, William Wright & Eivind Friis Hamre, March 2021 (p15/21).

The intervention would not create any new reporting obligation in terms of content, but build on existing requirements. It would address information that is relevant in the financial services, capital markets and sustainable finance areas, pursuant to the overall EU strategy for data in these areas. In addition, the intervention's objective should not go beyond addressing **"raw" information** published by entities as requested by the EU law.

4.2 Specific objectives

Two major specific objectives are identified in relation to public reporting obligations would contribute to the general objective set out above, as seen in Table 1.

Table 1: Intervention logic

Problem drivers	Specific objectives linked to them
Reporting requirements with different channels as regards information to be published. **Data repositories (channelling a small portion of information) are not interconnected** **Expensive channels (data aggregators)**	**Increasing the flows (i.e. circulation) of information / Seamless and integrated access to data published by companies**
Language and other barriers insufficiently addressed. **Machine readable formats specified for only for a few datasets.** **No prevailing market standard for disclosure format(s).**	**Increasing digital use (and re-use) of data**

Source: European Commission

4.2.1 Increasing the flows (i.e. circulation) of information / Seamless and integrated access to data published by entities

The first specific objective is to enable a **seamless and integrated access** to data published by entities subject to disclosure obligations in the area of financial services and capital markets, including sustainability related data, whilst avoiding disproportionate administrative costs for entities, in order to **increase the circulation of information within the Union**.

Increasing the circulation of information published in relation to financial services is necessary both within Member States and cross-border to support, at least in part, the general objectives of integration. The intervention should remove barriers to access, and improve discovery. This should be addressed keeping in mind the need to keep costs to a minimum[68] and alleviate other additional constraints, such as multiple filings[69]. The intervention should have regard to ongoing actions facilitating access to data at national level[70] and at EU level[71].

[68] The CMU Action Plan suggest building as much as possible on existing infrastructure.
[69] As noted in the Fitness Check on corporate reporting, there is broad support, especially by preparers, for "file-only-once" principle, but wide variation in maturity in the Member States, let alone at EU level. See also Commission study: "EU-wide digital once-only principle for citizens and businesses", December 2017.
[70] Directive (EU) 2019/1024 on open data and the re-use of public sector information of 16 July 2019.
[71] The European Single Access Point (ESAP) would contribute to the objective of building EU Common Shared Data Spaces foreseen by the Commission in its Communication "A Europe fit for the digital age" of

4.2.2 Increasing digital use (and re-use) of data

The second specific objective is to increase the digital use (and re-use) of data, addressing barriers or hurdles currently in place.

From the digital use angle, the ESAP should seek to **standardise the way in which information is drawn up in order to make it easier digitally use, analyse and possibly compare**, thus reducing processing costs for users. The intervention should remove barriers such as unnecessary restrictions to re-use, linguistic barriers, etc. This should be consistent with actions which will facilitate use of data at national level and at EU level[72].

A minimum viable product should be implemented by end 2024[73]. The intervention should also ensure that these measures enable the EU framework to remain dynamic in order to be able to accommodate future technological progress and remain evolutionary[74].

5 WHAT ARE THE AVAILABLE POLICY OPTIONS?

5.1 What is the baseline from which options are assessed?

Considering how the problem will evolve, the main characteristics of the baseline scenario (i.e. no additional EU action) are that overall there will continue to be **limited pan EU access to information in the financial services area and pervasive barriers to digital use and re-use** of such information. At the same time, users' needs tend to evolve.

The existing pan EU access to information that is relevant for this initiative is currently and essentially ESMA's registers (and somehow the EBA). These cover 17 reporting obligations, that is 8% of the total considered for this initiative[75]. As part of the baseline, other existing pan EU interconnection systems or databases are considered. In this regard, the Business Registers Interconnection System (BRIS) is identified as the pan EU system that presents, at first sight, relevance for the baseline. Other European Supervisory Authorities (ESAs), such as the European Banking Authority and the European Insurance and Occupational Pensions Authority (EIOPA) offer generally limited access to their constituent's information.

Business registers under EU law[76] are in charge of the disclosure of limited liability company information to ensure publicity of such information towards third parties. To ensure disclosure and publicity at EU level, the Company Law Directive (EU) 2017/1132

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19 February 2020. In addition as stated in the CMU Action Plan, the ESAP should remain complementary to the Business Registers Interconnection System (BRIS), but should not alter the latter's functions.

[72] For instance: European Single Electronic Format (ESEF) applying to issuers' Annual Financial Reports, XML format and metadata in force for prospectuses.

[73] As per the Digital Finance strategy: "By 2024, information to be publically released under EU financial services legislation should be disclosed in standardised and machine-readable formats" – Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on a digital finance strategy for the EU, COM/2020/591 final.

[74] See Annex 13.

[75] Out of these, 12 reporting obligations must also be filed with a national repository, which is 6% of the total reporting obligations.

[76] Company Law Directive (EU) 2017/1132.

regulates the BRIS, which interconnects the EU business registers of the Member States, Norway and Liechtenstein). As regards information in the financial services area, OAMs and NCA collect only a small portion of the available information. Without a proper EU dissemination system for information stored by OAMs and NCA, the information they collect remains not easily available to end users. This is also valid for companies willing to disclose voluntarily information relevant for financial services[77].

Considering whether BRIS could play a role in the baseline scenario, it is important to recall that BRIS performs two main functionalities: a) it allows citizens, entrepreneurs and companies to obtain data on more than 20 million EU limited companies and branches through the "Find a Company" functionality of the European e-Justice Portal and b) allows business registers to exchange information on e.g. foreign branches and cross-border mergers of companies. There are however a number of factors that prevent retaining the BRIS in the baseline. The main reasons are this initiative and BRIS have different intended users, consuming different information in a different way. In addition, there are different collection bodies with limited overlap on the data collected. In particular:

- This initiative focuses mainly on entity and product related information that is relevant mainly for investors, with the purpose of serving market needs. By contrast, BRIS covers the company information to be disclosed under EU Company Law to the general public (such as citizens, professionals and companies) in order to provide legal certainty of such information.

- Whereas users in the financial markets may consider business registers as a source of information, the information of interest, for instance the annual financial reports of listed companies, is also found in the OAMs for market participants. The vast majority of information otherwise offered in the BRIS, based on the Company Law Directive, would have no immediate interest to investors for the purpose of this initiative.

- Time wise, the BRIS delivery of information about financial statements of listed companies differs from OAMs. While a maximum of 12 months is allowed by the EU law for filing financial statements with a business register, the delay is reduced to 4 month for an issuer (i.e. listed company) to file this information with an OAM.

- The overlap on data collected by BRIS and ESAP would be limited and focused on the accounting documents required from companies issuing securities on regulated markets by the Company Law, the Accounting Directive and the Transparency Directive, namely: financial statements, audit reports, management reports including corporate sustainable reporting, country-by-country reporting by extractive industries, i.e. a few reporting obligations. This overlap concerns currently up to around 12 000 companies depending on the type of document, and in the future possibly up to 49 139 companies, should the Commission proposal of 21 April 2021 for a corporate sustainability reporting Directive be endorsed by the co-legislators.

[77] Currently the focus of most OAMs and ESAs is on the collection and dissemination of information stemming from a reporting obligation on companies. A few OAMs offer additional information from the same companies, such as on company governance, announcements, etc.

Therefore, considering the above, BRIS is not relevant in the baseline scenario.

With regards to digital use, some progress is expected under the baseline scenario thanks to the entry into application of the European Single Electronic Format (ESEF), ensuring that a good portion of issuers' annual financial reports (i.e. around 3,500 entities issuers of securities on the EU regulated markets that prepare consolidated financial statements in IFRS[78]) become readily machine-readable from fiscal year 2021. And this is only for one reporting obligation. Therefore despite significant progress over the last years, the widespread digital use of information would remain hampered by the situation.

As a result, in the baseline scenario, discovery and processing costs would remain significant for users. Reduced flow and digital use of information represent a barrier to integrated financial services and capital markets at the Union level, leading to losses of funding or investment opportunities, sub-optimal allocation and higher costs of capital, hampering the full potential of the internal market in the financial sector.

In parallel, users' needs tend to evolve. The main message during consultation is the emerging need for access to ESG information. This information is increasingly demanded, notably by investors, fund managers, intermediates, advisors, as well as civil society and public authorities due to recent regulatory evolutions in the Union[79], but also by the public at large for various purposes out of the general fight against climate change. This bottleneck may become a significant barrier to achieving the sustainable finance angle of the Green Deal.

From the market side, extant registers (other than data aggregators) are not satisfactory solutions as none can fully solve all the problems identified (Annex 12). One can expect that technologies relevant to this problem will continue to emerge but there is no clear indication that they would resolve a substantial part of the problem in a timely manner.

5.2 Description of the policy options

The policy options focus on how to establish a single access point in order to achieve the specific policy objectives outlined in section 4, rather than considering a single access point as one possibility among others to tackle the problems.

This is because **a vast majority could support an EU single access point as a way of improving access**, even though some recognised that there could be other avenues to improve access on the basis of numerous sources of information or other ways – however providing no clear alternative efficient direction. There is a strong support[80] among all stakeholders for a single access point at the EU level as the best solution to address the problems. Asked during the public consultation on the Renewed sustainable finance strategy (April-July 2020) if EU policy action is needed to help maximise the potential of digital tools for integrating sustainability into the financial sector, most respondents indicated that digital tools have a role to play to ensure accessible, reliable data (e.g. centralized and open-source EU wide ESG database, free of charge). Only some suggested other ways such as promote innovation, create new instruments (e.g. through research grants and award programs). There was a strong support during workshops

[78] Annual Report on enforcement and regulatory activities, Annex 3, p. 73, ESMA, 2020.
[79] Under the SFDR, financial market participants and financial advisers are required to disclose product information related to sustainability for both environmental, social, and governance (ESG)-related products and non-ESG products.
[80] As indicated by the consultation activities, see Annex 2.

(Annex 4) for a single access point (confirmed by survey on the spot, including for users). A few users believed that having access to the information in a centralized manner was not key – however not providing a clear description what other solutions might consist of. A group of Member State working on the CMU (Next CMU) reported their clear support for a central access point as a way to facilitate cross-border investments and access to the EU pool of liquidity[81]. Both the Council[82] and the European Parliament[83] supported the CMU Action plan as regards the "European single access point" The Parliament calls in particular with a view to potential efficiency gains, to consider gradually granting ESMA direct supervisory powers as well as greater product intervention powers in this respect.

The European economy has historically suffered from a lack of diversified sources of funding for companies, hence the need to tackle the barriers to the flow of capital, to remove regulatory and non-regulatory barriers to the free movement of capital across borders. The final report of the High Level Forum (HLF) on Capital Markets Union, published in June 2020, has highlighted the need to set-up a European Single Access Point (ESAP), which will aim at improving access to entities' financial and sustainability-related information. Indeed, the purpose of the members of the HLF on CMU was to reflect on a new vision for the Europe's capital markets. Hence, members have stressed that the EU suffered from a market competition disadvantage and insufficient EU market-based financing compared to e.g. the United-States notably due to the lack of easy access, reliable, understandable and comparable public information in the financial services and capital markets area. To tackle these issues, members of the HLF saw merit in mirroring in the EU solutions in place in comparable markets of third countries, that is a single access point to information however with a broader scope to also capture sustainability-related and other information. The final report of the HLF on CMU[84] stated that the ESAP would be a "*game-changer for investors, companies and financial intermediaries*[85]." Hence, this initiative has been flagged as the first action of the Capital Markets Union (CMU) Action Plan, published in September 2020.

A single access point is consistent with the European strategy for data and on digital finance which both **herald common data spaces** in the financial sector for enhanced access to data and data sharing.

This section presents the different policy options for the following five main dimensions that are crucial to ensure relevant objectives are met: (1) scope of the information accessible via ESAP; (2) format of the information accessible via ESAP; (3) collection of the information accessible via ESAP and interconnection of existing collection points; (4) open data, and (5) governance. These are considered to be the core aspects in terms of addressing the identified problems and they are also the principal determinants of costs. An overview of which policy options can serve the objectives is provided in Table 2. Table 3 provides a summary of the options presented in this section.

[81] Savings and Sustainable Investment Union, Report to Ministers, NextCMU, Oct. 2019.
[82] Council Conclusions on the Commission's CMU Action Plan, ECOFIN, 2 December 2020.
[83] European Parliament resolution of 8 October 2020 on further development of the Capital Markets Union (CMU): improving access to capital market finance, in particular by SMEs, and further enabling retail investor participation (2020/2036(INI)).
[84] Final report of the High Level Forum on the Capital Markets Union - A new vision for Europe's capital markets, HLF CMU, 10.06.2020.
[85] https://ec.europa.eu/info/news/cmu-high-level-forum-final-report_en.

The following aspects are considered to be more technical and less crucial for the achievement of the ESAP specific objectives: (i) ESAP functionalities; (ii) timeliness of information accessibility via the ESAP; (iii) ensuring data integrity and credibility of the source; (iv) ensuring data quality; (v) addressing language barriers; (vi) removal of certain barriers to access; (vii) file only once principle; (viii) grand fathering; (ix) retention period; (x) principles about "voluntary information" which will be accessible via the ESAP; These aspects are important but do not represent a key dimension in addressing the identified problems and determining costs, and are therefore presented in Annex 14.

Annex 15 specifies policy options (both for the main dimensions and for the technical/non-core aspects) that were considered but discarded at an early stage, explaining the reasons for such choice.

Table 2: Overview of how the 5 key dimensions address the specific objectives

		Key dimensions				
		Scope of the information accessible via ESAP	**Format of the information accessible via ESAP**	**Collection of the information and interconnection of existing collection points**	**Open data**	**Governance**
Specific objectives	**Seamless and integrated access to data published by entities / increased circulation of information**	X	N/A	X	X	X
	Increased digital use (and re-use) of information	N/A	X	X	X	N/A

Source: European Commission

Table 3: Overview of the policy options for the 5 key dimensions

Scope of the information	Format of the information	Collection of the information and interconnection of existing collection points	Open data	Governance
Option 1 **Core information: Only entity-related info mandatorily published by listed entities. No product-related nor other mandatory info. No voluntary info accepted.** **Option 2**	**Option 1** Low intensity: All existing formats are accepted + common minimum metadata for all info disclosed + specific metadata for non-machine readable formats. **Option 2**	**Option 1** Entities submit the information directly to the OAMs or to other collection points that send it to the OAMs. Only OAMs are interconnected with the ESAP. **Option 2**	**Option 1** A single open licence **Option 2** Various similar open licenses **Option 3** licensing system based on collection points	**Option 1** Private entities supervised by ESMA **Option 2** A concession overseen by the Commission **Option 3** ESMA in charge

Fair coverage: **All entity-related info published by listed entities + certain entity-related info published by non-listed entities + certain product-related info published. No other mandatory info. Certain voluntary info accepted.** **Option 3** **Widest possible scope:** **All info published by entities in the scope of EU financial markets legislation to be included progressively. All relevant voluntary info accepted.**	Somehow prescriptive: Certain info to be in an open and widely used data extractable format (see annex 20). For the remaining info, all existing formats accepted + specific metadata for non-machine readable formats. Common minimum metadata for all types of information / documents. **Option 3** Very prescriptive: Only open and widely used data extractable formats are accepted + common minimum metadata for all info.	*Entities submit the* information to a collection point that is interconnected with the ESAP at the same time as they make the information public. OAMs, ESAs (where needed), NCAs (where needed) and other collection points are interconnected with the ESAP **Option 3** Entities submit the information/documents only to the OAMs, which send it to the national/EU supervisory authorities. Only the OAMs are interconnected with ESAP.		

5.2.1 Options for the scope of the information accessible via ESAP

This section presents the policy options for the information that would be accessible via ESAP.

The scope (and related options) is driven by the objectives. This confines the scope to be examined to **information that is relevant for use in the financial services and capital markets area, as well as in relation to sustainability**. On the basis of a wide encompassing mapping of EU law, the Commission services identified the Directives and Regulations potentially serving this purpose[86].

During the mapping exercise it appeared that certain market participants had reporting obligations that confine to being a register, in relation to transaction based information, and not always for the purpose of making that information primarily available to the public. This includes the central securities depositories – CSD, the Central clearing counterparty – CCP, market operators, Data Reporting Services Providers, Consolidated Tape Providers – CTP, Approved Publication Arrangements – APA, Systemic Internalisers. By nature, this information does not respond to the objectives of this initiative. For instance, some requirements may imply an obligation for timely disclosure (15 minutes after the event), others require specific access means with the ability to address massive amounts of data with high frequency. For that matter, these transaction-related reporting obligations should remain out of the scope of the ESAP. Nevertheless, any low frequency entity-related or product-related reporting obligations impinging on

[86] Deloitte, Regulatory framework analysis for potential integration into the European Electronic Access Point (EEAP), June 2019 / mapping by BR-AG (Annex 9, Annex 11)

these bodies, such as governance reports, would represent relevant information for the ESAP.

For the purpose of this impact assessment, the information that EU/third country entities have to publish under EU financial markets law[87] (i.e. the mandatory information) can be divided into the following subcategories: a) entity-related information[88]; b) product-related information[89]; c) other information[90]. Some reporting obligations may pertain to several categories.

For the purpose of this impact assessment, "voluntary information"[91] means information relevant for financial markets that EU/third-country entities in the scope of the EU financial markets law publish on a voluntary basis or in any case beyond EU requirements[92].

Third countries entities whose securities are traded on an EU regulated market will have to mandatorily make available via the ESAP any information required by EU law.

5.2.1.1 Option 1 – Only entity-related information published by listed entities under EU law. No voluntary information.

In this option focusing on essential core information demanded by investors, the ESAP would provide access only on entity-related information (financial and sustainability-related) that has to be published under EU law by issuers with securities admitted to trading on the EU regulated markets (i.e. all the information to be disclosed under the Transparency Directive[93] representing 8 reporting obligations). This option includes listed entities' entity-related sustainability-related information[94]. No other mandatory information, such as financial and sustainability information by large non-listed entities, would be accessible via the ESAP. No information published by EU/third-country entities in the scope of EU financial markets law on a voluntary basis or beyond the specific EU requirements would be accessible via the ESAP.

5.2.1.2 Option 2 – All entity-related information published by listed entities + key entity-related information published by non-listed entities + key product-related information. Certain voluntary information.

In addition to the information disclosed under Option 1, the ESAP would provide access to key entity-related information[95] required under the EU law the access to which is overall highly supported by users (i.e. prospectuses/URD, Corporate sustainable

[87] See Annex 14 for the list of all relevant EU legal acts.
[88] Entity-related information relates to an entity, its performance, its organisation, what it does, etc.
[89] Product-related information relates to products that are packaged, marketed and sold by entities.
[90] Information that is neither entity nor product related.
[91] See also Annex 14 for a detailed analysis of SMEs voluntary disclosures.
[92] E.g. publication of quarterly reporting by EU/third country entities listed on the EU regulated markets; publication of ESG by non-listed SMEs.
[93] E.g. financial statements, management reports, issuer's responsibility statements, reports on payments to governments, major changes in shareholdings' voting rights. The ESAP would have the same scope as the European Electronic Access Point (EEAP), which was established by ESMA under the Transparency Directive but never became operational.
[94] Sustainability-related information – which is currently required under Directive 2014/95/EU "Non-Financial Reporting Directive" and which is expected to become more available and more standardised as a result of the CSRD proposal – is included in the management report. The Transparency Directive specifies – inter alia – the publication requirements of listed entities' management reports.
[95] i.e. entity-related information identified as key based on the outcome of the consultation activities.

reporting by non-listed entities, shareholders' rights reports, takeover bids, audit firms' reports, market abuse - representing altogether around 53 reporting obligations), as well as key product-related information[96] published by entities (i.e. essentially in laws pertaining to sustainable finance and on indices used as benchmarks to measure the performance of investment funds representing 5 reporting obligations). Adding 21 more information that is related to both entity and product the option would address altogether around 79 reporting obligations. The ESAP would enable EU/third-country entities in the scope of EU financial markets law to make similar information accessible on a voluntary basis via the ESAP.

5.2.1.3 Option 3 – All information published by entities in the scope of EU financial markets legislation. All relevant voluntary information

The ESAP would progressively[97] provide access to all entity, product and other information that has to be published by any entity under the EU financial markets legislation (see the list of relevant EU legal acts in Annex 9), representing around 200 reporting obligations[98]. The ESAP would (accept and) provide access to all similar information published by EU/third-country entities in the scope of EU financial markets law on a voluntary basis or in any case beyond the EU specific requirements.

5.2.2 Options for the format of the information mandatorily accessible via ESAP

This section presents the policy options for the format of the information accessible via ESAP.

The information that respondents to our targeted consultation most commonly preferred to be made machine-readable were financial statements (86%), half-year financial reports of listed entities (78%), sustainability-related information (73%), management reports (68%) and audit reports (58%), representing altogether 4 reporting obligations. In addition, there was some interest (>40%) in ensuring the machine readability of the information on the number of voting rights in entities, reports on payments to governments (country-by-country reporting), remuneration policies, prospectuses, solvency and financial condition reports of insurance entities, notifications of acquisition or disposal of major holdings, and key information documents, that is another 6 reporting obligations.

For the purposes of this impact assessment, "*data extractable format*" is defined (Annex 20) as a portable data format that allows computers at least to identify and extract string of characters or data but not necessarily to recognise its nature or compute it straight away electronically. Formats such as PDF can be considered as data extractable if the file contains the characters, i.e. this is not a scanned PDF. A subset of these, "*machine-readable formats*", are meant to be a portable data extractible format that – in addition – allows computers to identify, extract and compute straight away electronically the data. For instance, the ESEF format for annual financial reports of listed entities in XHTML in combination with the XBRL mark-up language, i.e. a specific coding technique with

[96] i.e. product-related information identified as key based on the outcome of the consultation activities.
[97] See Annex 16 for an overview of the suggested phased approach.
[98] In addition to the information provided under Option 1 and 2, Option 3 would include for instance information on investment funds, investment services, credit rating agencies, etc.

"tags" to define elements within a document, allows the presentation of information in a way that both machines and humans can search, read and analyse more easily.

Making information machine readable on a systematic basis may be envisaged as an option. In such a setting, the information published by entities would have to be mandatorily drawn-up and submitted in one (or a few) predetermined specific single machine-readable format(s) in order to be accepted by the ESAP. This option is however discarded at an early stage for the following reasons:

i) Machine readability depends to a great extent on the preliminary existence of structured data on the basis of, for instance, layouts, taxonomies, templates, forms associated with certain information, and a format. For instance, a template + CSV, or a taxonomies standard + XHTML/XBRL allow for machine readability because of the combination of a data structure and of a format. If the template or taxonomies are missing the information will not be truly machine readable even if a machine readable format is adopted, because the machine will not recognise the nature of information it is dealing with. Data structuring is therefore a prerogative of the sectoral legislation, having to do with its inherent objectives, which is beyond the objectives of the ESAP initiative addressing the accessibility and digital use of information.
ii) The majority of respondents to the fitness check consultation did not support extending electronic data structuring to all (including non-listed) entities' financial statements in the EU, even less so to management reports and other reporting, as this would be a non-proportionate measure leading to unnecessary standardisation and compliance costs;
iii) Based on our consultation activities, most stakeholders (except retail investors and data aggregators) could cope with different formats for different types of information[99]. They did not necessarily support a single format and could live with different formats. In fact, with tools such as viewers, readers, software etc., ensuring easy and actual machine readability, many users believed that this could be sufficient to ensure digital use including comparability and analysis of information;
iv) As machine readable formats come with their own characteristics, constraints and benefits, a tailor-made approach is necessary to assess which format, if any, is the most appropriate for a given information depending on the content, perceived importance or needs of the users for each reported information, as well as costs and benefits. Whereas the ESEF was widely supported by many types of users during consultation, there are other valid formats to ensure machine readability, as seen during consultation (CSV, XML, XBRL...). Imposing the same machine readable format for all information would also prove disproportionate if some semantic interoperability and data searchability is otherwise ensured and commensurate to users' needs, such as e.g. in the prospectus domain. An analysis has to be conducted at the level of each sectoral legislation (rather than on a central basis) to ensure proportional approach.

Against this backdrop, the option of a "one size fits all" single machine-readable format for all the information accessible via ESAP would be disproportionately burdensome and/or inappropriate. In particular, having a "one size fits all" approach would require

[99] This is the view of a majority of users as well as authorities. There is no overall support from preparers, due to concerns on possible compliance costs implied by multiple formats, but still some support (flexibility).

substantial changes in most of the existing EU financial markets legislation and create additional administrative burden and unnecessary costs for entities and collection points.

Nevertheless, aiming for machine readability is key to reach the objective of increased digital use and re-use of data (consultation). Hence as an overarching principle for all the options examined below, it is considered that the intervention will confer powers on the Commission to adopt machine readable formats by ways of level 2 measures (secondary law such as Commission Decision) in each relevant sectoral legislation concerned. This would allow to examine the case for machine readability on a wide scale, yet possibly on a case by case basis, not pre-empting any solution or having any impacts at this stage.

The following options were identified as regards formats:

5.2.2.1 Option 1 – All existing formats are accepted + common minimum metadata for all information disclosed + specific metadata for non-machine readable formats

The ESAP would accept information/documents prepared in all the existing formats (regardless of whether they are open and widely used data extractable formats). This would effectively mean that most information available through ESAP would not be data extractable or machine readable. The ESAP would specify a common minimum set of metadata[100] for all the information to be disclosed (including a legal entity identifier). In addition, the Commission would be provided with delegated powers to define via delegated acts specific metadata for each type of document where the existing required format is not machine-readable.

5.2.2.2 Option 2 – Certain information/documents to be in an open and widely used data extractable format. For the remaining information/documents, all existing formats accepted + specific metadata for non-machine readable formats. Common minimum metadata for all types of information/documents.

The ESAP would specify a list of key information/documents[101] that would have to be drawn-up in an open and widely used data extractable format. The Commission would have delegated powers to specify a machine readable format.

For the information/documents not on this list, the ESAP would accept all the existing formats (regardless of whether they are open and widely used data extractable formats), and would provide the Commission with delegated powers to define via delegated acts specific metadata for each type of document where the existing required format is not machine-readable. A common minimum set of metadata (including a lei) would be specified for all kinds of information/documents.

5.2.2.3 Option 3 – Only open and widely used data extractable formats are accepted + common minimum metadata for all information/documents

The ESAP would accept only documents prepared in an open and widely used data extractable format[102]. The ESAP would specify a common minimum set of metadata for all the information to be disclosed (including a legal entity identifier).

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[100] For instance : entity name, entity identifier (lei), entity home Member State, ISIN codes, type of information, language, reference year, publication date, source collecting point, link to source registry.
[101] Identified on the basis of our consultation activities.
[102] i.e. scanned PDFs are not accepted anymore.

5.2.3 Options for the collection of the information accessible via ESAP and the interconnection of the existing collection points

This section presents the policy options for the collection of the information accessible via ESAP and the interconnection of the existing collection points (OAMs, NCAs, and ESAs)[103].

5.2.3.1 Option 1 – Entities submit the information directly to the OAMs or to other collection points that send it to the OAMs. Only OAMs are interconnected with the ESAP.

Entities would keep submitting the information to the existing national/EU collection points specified under EU law[104] and would keep publishing the information via the existing publication channels[105]. The existing national/EU collection points other than the OAMs would subsequently submit the information to the OAMs. In the absence of a collection point specified under EU law, the entities would submit the information (including voluntary information[106]) directly to the OAMs. Only the OAMs are interconnected with the ESAP.

5.2.3.2 Option 2 - Entities submit the information to a collection point that is interconnected with the ESAP at the same time as they make the information public. OAMs, ESAs (where needed), NCAs (where needed) and other collection points are interconnected with the ESAP.

Entities would keep submitting the information to the existing national/EU collection points specified under EU law[107] and would keep publishing the information via the existing publication channels[108]. OAMs, NCAs (where entities submit information to the NCA) and ESAs (where entities file information directly to the ESAs) are interconnected with the ESAP. In the absence of a collection point specified under EU law, the entities would submit the information (including voluntary information[109]) directly to a collection point interconnected with the ESAP at the same time as they make such information public.

5.2.3.3 Option 3 - Entities submit the information/documents only to the OAMs, which send it to the national/EU supervisory authorities. Only the OAMs are interconnected with ESAP.

Entities submit the information (including voluntary information) only to the OAMs. The national/EU supervisory authorities[110] do not collect information directly anymore but the information reaches them via the OAMs. Only the OAMs are interconnected with the ESAP.

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[103] See complete list of the existing collection points in Annex 10.
[104] e.g. the National Competent Authorities, the Officially Appointed Mechanisms "OAMs", the European Supervisory Authorities "ESAs", etc.
[105] e.g. via media, entity websites, etc.
[106] Annex 14: Ancillary/Technical/non-core aspects of the ESAP.
[107] e.g. the Officially Appointed Mechanisms "OAMs", the European Supervisory Authorities "ESAs", etc.
[108] e.g. via media, entity websites, etc.
[109] Annex 14: Ancillary/Technical/non-core aspects of the ESAP.
[110] i.e. the National Competent Authorities "NCAs" and the ESAs.

5.2.4 Options for open data

The ESAP will contain information that is of high value for users in the financial services and capital markets area. Many end users will re-use information in a way or another, for personal consumption or commercial purposes.

Determining rights on data use and re-use is necessary to ensure uniform application and user rights. This is key to enable legally sound use and re-use on a pan-Union basis. The ESAP should aim to ensure fair, proportionate and non-discriminatory conditions for the re-use of such information. The terms of re-use should also have regards to the public interest, hence allow for commercial re-use. Conditions for re-use laid down in the Open Data Directive could be used as a benchmark. In particular, there should be no obstacle to re-use for commercial purposes (including value added services, new products, or use to package products).

In line with the Open Data Directive, information shall be available free of charge (in principle there should be no access fees), the re-use of such information shall be free of charge and not limited by database rights. According to anecdotal evidence, providing data free of charge could increase the overall number of users accessing the ESAP by a factor of 100[111], therefore increasing visibility of the entities whose information is accessible.

The Open Data Directive develops minimum harmonisation of national rules and practices on the re-use of public sector documents and data. National and EU public bodies, private registers (OAMs) often impose specific terms of use. These may include restrictions stemming from copyright on the content or database (*sui generis*) rights. Certain terms of use require a specific agreement between the body and the end user (Annex 19). Certain information, such as Annual financial reports of issuers of securities, is in the scope of the implementing act about High Value Datasets of the Open Data Directive.

Against this backdrop, three options are envisaged as regards open data:

5.2.4.1 Option 1 – A single open licence (i.e. no impediment to re-use data)

All datasets retrieved from ESAP are subject to a single license adopted by the EU that allows users to re-use data without any impediments, for instance the Creative Commons license CC BY[112]. Collection points must apply the same single open licence on the data that they make available on the ESAP.

5.2.4.2 Option 2 – Equivalent open licenses

Each collection point determines the license applying to the data within the terms equivalent to those of a reference licence determined at EU level (e.g. a commonly used open license such as CC BY allowing commercial re-use, creation and distribution of derivative works). The Commission has delegated powers to determine the terms and which licenses can be considered equivalent. Datasets retrieved from the ESAP are subject to different (but equivalent) terms of use.

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[111] Impact Assessment study on the list of High Value Datasets to be made available by the Member States under the Open Data Directive, Deloitte, 2021, ISBN 978-92-76-25267-2.

[112] Creative Commons — Attribution 2.0 Generic — CC BY 2.0 or Creative Commons — Attribution 4.0 International — CC BY 4.0.

5.2.4.3 Option 3 – Licenses chosen by each collection point

Each collection point determines the license applying to each piece of information, assuming that such license is in conformity with the Open Data Directive. Datasets retrieved from the ESAP are therefore subject to different terms of use.

5.2.5 Options for the governance

Governance is an important dimension attracting the interest of stakeholders and with potentially significant budgetary implications. Nevertheless, the choice of the governance model would have no significantly different impacts on the collection points, preparers and users and no noticeable economic, environmental, social and fundamental rights impacts.

The governing body's tasks would include developing the infrastructure of the ESAP, managing technical solutions, managing access rights within the legislative boundaries, ensuring high quality of service delivery, possibly managing fee based model (price list, retrocessions, billing), monitoring, ensuring adequate consideration of user or other stakeholders' feedback, ensuring budgetary compliance, etc.

At this stage, an integrated approach on the basis of the BRIS is discarded upfront. As mentioned earlier, this initiative focuses mainly on entity and product related information that is relevant mainly for investors, with a view to serving the financial services' and markets' objectives. By contrast, BRIS covers the information that are mandatory to be disclosed by companies under EU Company Law, in order to provide the general public (such as citizens, professionals and companies) legal certainty of such information. BRIS also provides for the exchange of certain data between business registers to ensure i.e. they have up-to-date files on limited liability companies with cross-border aspects. Hence BRIS has a governance and scope that would not serve the purpose of this initiative. Using BRIS to enable access to market information would entail tangible impact on the governance and infrastructure of BRIS to a point where this could alter the original intended legal functions. In terms of infrastructure and costs, the different characteristics along with some key functionalities required for ESAP suggest the following development needs for the BRIS system in order for ESAP to be built on top of the same infrastructure: modify the BRIS database structure to add a broad set of new metadata, developing the BRIS user interface to make use of new structural data or AI based solutions, developing support for new global identifiers (e.g. for products), enable a whole new set of communication with new reporting entities (e.g. OAMs), making use of the added metadata to facilitate search for entities and data, developing application programming interfaces, implement new translation systems, developing functionalities like allowing subscription by users to a certain data set. Whereas the costs of developing such features on BRIS have not been assessed, there is no reason to believe that these would be significantly lower than costs estimated for an alternative infrastructure built from scratch, as the BRIS infrastructure in this setting would need to be thoroughly modified. Furthermore, collection points are clearly distinct at Member States level. All but one (Germany) have chosen to rely on specific national repositories for the markets (OAMs) distinct from the business registers[113].

Due to these distinct scope, objectives and orientations and intended characteristics of the two systems, and as mentioned in the CMU Action Plan, the Commission services

[113] Annex 10.

consider therefore that the ESAP should be built separately from the BRIS. As said in the CMU Action Plan, the ESAP should be complementary to BRIS, without altering its function.

When asked whether specific categories of stakeholders should be involved in the governance of ESAP, 85% of the respondents to the consultation supported involvement of EU authorities, including the ESAs, the Commission, individually or in a form of a committee. Around half of the respondents supported that the governance should in addition involve a wider range of stakeholders such as issuers (51%), investors (46%), and NCAs (46%).

Against this backdrop, three options with high potential for effectiveness were identified[114].

5.2.5.1 Option 1 – Private entities supervised by ESMA

In this option, private companies established in the EU would volunteer to be registered as "an ESAP" with ESMA, and would be supervised by ESMA. Specifications for the registration would be developed, and provide at least for the obligation for each private ESAP to cover the full intended scope of information, both geographically and thematically, as well as comply with full intended specifications (including free access, licensing terms, etc.). ESMA would enforce EU rules on the ESAP (i.e. scope, functionalities...)

These private ESAPs would have the obligation to provide access for free to information but would have a right to charge fees on users in need of premium services, such as obtaining high volumes based on frequent queries.

Collection points would have the obligation to provide free and unencumbered access to the information they collect, possibly via APIs, to each ESAP.

5.2.5.2 Option 2 – A concession overseen by the Commission

In this option, the ESAP is operated by a private body based on a contractual relationship (concession) for a delegation of service. The service is procured by the Commission.

The contractor has the obligation to provide access for free to information but has a right to charge fees on users in need of premium services, such as obtaining high volumes based on frequent queries.

The Commission and the contractor are advised by a permanent ad hoc expert group comprised of ESAs, OAMs, NCAs and other relevant public bodies, private representative stakeholders including users, preparers, and other stakeholders.

5.2.5.3 Option 3 – ESMA in charge

In this option, ESMA has, by legislation or other means, the mandate to govern the ESAP (including to set up the access point up and operate it).

[114] The Commission services were assisted by BR-AG in the pre-selection of a few viable and efficient governance models.

ESMA has the obligation to provide access for free to information but has a right to charge fees on users in need of premium services, such as obtaining high volumes based on frequent queries.

ESMA is assisted by an ad hoc advisory mechanism in compliance with own internal rules, comprising representatives of collection points (OAMs, NCAs), the EBA and EIOPA, users, preparers, and other stakeholders including users, preparers, and other stakeholders.

5.3 Options discarded at an early stage

The following additional options have been considered but discarded at an early stage: (i) requiring entities to make accessible via ESAP the information published on a voluntary basis or based on national law beyond EU financial and capital markets legislation[115]; (ii) requiring an ESAP to accept information submitted voluntarily by third-country entities that are not in the scope of the EU financial markets law; (iii) requiring the entities to upload all the information directly on the ESAP (single EU point of collection for data); (iv) having the ESAP governed by the Joint Committee of the ESAs or by a public-private partnership.

Annex 15 describes each of these options and the reasons for discarding them at an early stage.

6 WHAT ARE THE IMPACTS OF THE POLICY OPTIONS AND HOW DO THEY COMPARE?

For each one of the five key dimensions, the effectiveness, efficiency and coherence as well as impacts are assessed and compared to baseline for each policy option. Options on key dimensions are then compared to select the preferred options.

6.1 Impacts and of policy options on the scope of information

6.1.1 Option 1 - Only entity-related information mandatorily published by listed entities. No voluntary information accepted.

Effectiveness in meeting the specific objectives

The ESAP would provide access only to entity-related information that has to be mandatorily published by listed entities[116]. Based on our targeted consultation, 84% of stakeholders believe this type of information should be accessible on the ESAP immediately. Other mandatory information and any voluntary information published by EU would not be accessible, which is problematic for users, especially retail investors, but also other users interested in. For instance, information disclosed under the sustainability reporting by non-listed entities, information on sustainability risks and impact – which are also considered a priority by the respondents to our consultation[117] - would not be accessible via ESAP. The amount of data accessible via the ESAP (corresponding to only 8 datasets, i.e. 4% of the dataset disclosed under EU financial markets law) would

[115] See the list of all relevant EU legal acts in Annex 14.

[116] i.e. annual financial reports (i.e. management report, financial statements and the company's responsibility statements), half-yearly financial reports, reports on payments to governments, acquisition or disposal of major holdings, etc.

[117] 87.9%, 71% and 66% of respondents respectively.

be very limited, although it would cover some of the basic needs of users. This option would therefore only in part achieve the specific objective of increasing the circulation of information within the Union.

Cost-analysis

The efficiency of this option is negative compared to baseline due to low effectiveness whereas it implies some additional costs.

- *Cost for preparers*: They would keep applying the existing disclosure requirements under the Transparency Directive as regards the format (ESEF for annual financial reports only) and the collection system (via OAMs). There would be negligible costs for listed entities that already submit data to OAMs.
- *Costs for users:* Regardless of the open data preferred option in Section 6.4, it is expected that any costs that users would face would be reasonable and outweighed by expected cost savings linked to finding and analysing data. Some respondents to our targeted consultation provided an estimation of how large share of their yearly cost for retrieving and using entities' public information they could expect to save through the use of ESAP, with a majority in the region of 30-40% savings.
- *Cost for the EU:* the EU would incur costs for building an ESAP platform that provides access to a limited amount of information (Annex 17). The ESAs, and ESMA in particular, would have sufficient resources to develop secondary legislation associated with this initiative.
- *Cost for the national collection points:* Considering that listed entities' information is already being sent to the Officially Appointed Mechanisms (OAMs), the OAMs would incur limited additional costs related to the receipt of the information in a given format (see Section 6.2) and to the interconnection with the ESAP (see Section 6.3)[118].

Other economic, environmental, social and fundamental rights impacts

The inclusion in the scope of sustainability-related information published by listed entities would indirectly facilitate the access, analysis and comparison of the entities' impact on environment and social rights, thus increasing somehow the circulation of information within the Union. This could encourage investors to better reflect sustainability risks and impacts in their investment decisions. However impacts would be somehow limited by the minimum coverage of this option that does not allow to fully consider key information such as in relation to sustainable finance, hence leading to low/moderate integration.

Coherence with other initiatives

This option is fully coherent with existing EU legislation, especially the Transparency Directive.

[118] Considering the costs for implementing the API (around EUR 25 000) and the metadata (around EUR 25 000), as well as maintaining a signature validation service (around EUR 800), the total individual cost for each OAM (one-off) would be around EUR 50 800. The collective costs of this Option for all OAMs would be around EUR 1.3 million, i.e. EUR 50 800 * number of existing OAMs (i.e. 26).

6.1.2 Option 2 - All entity-related info published by listed entities + key entity-related info published by non-listed entities + key product-related info. Certain voluntary info accepted.

Effectiveness in meeting the specific objectives

The ESAP would provide access to: (i) all entity-related information mandatorily published by listed entities, corresponding to 8 datasets (already captured under Option 1); and in addition (ii) key entity-related information mandatorily published by non-listed entities, corresponding to around 53 datasets; and (iii) key product-related information, corresponding to around 5 datasets[119], plus 21 other datasets related to both entity and product information. Information provided would correspond to 79 datasets, corresponding to around 40% of the dataset disclosed under EU financial markets law), but it would still exclude lots of information stemming from e.g. MiFIR, PRIIPs, AIFMD[120].

Voluntary information of similar nature would be accepted. Based on our targeted consultation, there is overwhelming support (93%) to allow SMEs to disclose voluntarily information in the ESAP, and many respondents (73%) believed that any type of company should be entitled to post information in the ESAP, or if not at least companies in the SME Growth Markets or other non-regulated markets. There was a preference for allowing only predefined sets of information (around 80%) to be accessible via the ESAP, rather than any information (around 40%).

Hence this option would moderately achieve the specific objectives of increasing the circulation of information, as it would fairly cover the information flagged by users as a priority, including professional investors and retail investors. It would still leave aside a wealth of information that some users may find important – even though they may not have flagged such information as a priority during consultation, hence obliging them to search for such information from other sources as the case may be. Removing a barrier to integration is party achieved in this option.

Cost-analysis

The efficiency of this option is neutral or minus compared to baseline due to moderate effectiveness but somehow non-negligible additional costs especially for collection points.

- *Cost for preparers*: Despite the application of common metadata to a greater number of dataset compared to option 1[121] and the requirement to submit the information to a designated collection point (where EU law does in the absence of an existing collection point), preparers' costs would be similar to Option 1. Costs related to the format (see Section 6.2) tend to be the same, regardless of the number of reporting obligations. Costs for submission to a designated collection point in the absence of an existing

[119] i.e. prospectuses/URD, Corporate sustainable reporting by non-listed entities, shareholders' rights reports, takeover bids, audit firms' reports, market abuse, sustainable finance legislation and indices used as benchmarks to measure the performance of investment funds.

[120] Access to this information is considered important by around 32 % of the respondents to our targeted consultation.

[121] Option 2 compared to Option 1 includes around 70 additional datasets.

one are considered in Section 6.3[122]. Costs for entities willing to publish voluntary information on the ESAP are not considered as such publication would be voluntary.

- *Costs for users:* as for option 1, regardless of the open data preferred option, it is expected that any costs that users would face would be reasonable and outweighed by expected cost savings linked to finding and analysing data. Option 2 is likely to provide more benefits to users compared to option 1 as a greater volume of information would be quicker to find and easier to analyse, translate, and compare.
- *Cost for the EU:* slightly higher than Option 1 as the ESAP would cover more information and the Commission - via the ESAs - would be mandated to develop more specific metadata.
- *Cost for the national collection points:* additional storage costs would be incurred due to a higher volume of information compared to Option 1 (See Section 6.3). Interconnection costs would be the same as for Option 1 at the level of each collection point as these costs apply regardless of the amount of datasets.

Other economic, environmental, social and fundamental rights impacts

In addition to the impacts highlighted in Option 1, there would be environmental and social benefits of accessing additional voluntary ESG data on the ESAP thanks to greater transparency. Moreover, the vast majority of respondents to our public consultation indeed believe that the main benefits for entities with no access to capital markets to disclose their information publicly in ESAP would be to get more visibility and attract a broader range of investors (75%) and to increase transparency on sustainability reports and ESG data (easily retrievable) (69%). Some respondents also argued that ESAP could lead pricing policies of the current ESG data providers to lower levels, especially if the ESAP provided raw data for free. Data providers consulted all welcomed the ESAP as a way to get easier access to raw data for their own business.

Coherence with other initiatives

This option remains fully coherent with the EU law as it builds on existing reporting obligations in the corresponding sectoral legislation.

6.1.3 Option 3 - All information published by entities in the scope of EU financial markets legislation. All voluntary info accepted.

Effectiveness in meeting the specific objectives

The ESAP would provide access to the maximum possible information, corresponding to around 200 reporting obligations, covering 100% of the dataset disclosed under EU financial markets law. This approach would ensure the maximum potential for achieving the objective of increasing the circulation of information within the Union. By covering all datasets with direct relevance to EU financial services and markets, including those that professional investors, data service providers, retail investors, civil society, supervisors and researchers may need and enable a wider range of use, this Option would in addition

[122] Filing costs are estimated around EUR 200 per entity.

contribute on a much wider scale to achieving the integration of the internal market in the financial area, and hence better contribute to integrating the single market.

Cost-analysis

The efficiency of this option is neutral or plus compared to baseline due to high effectiveness but non-negligible additional costs especially for collection points.

- *Cost for preparers*: negligibly higher compared to Option 2 due to the application of common metadata to a greater number of dataset. Costs related to the format (see Section 6.2) and submission to a designated collection point are also considered negligible (see Section 6.3).
- *Costs for users*: Option 3 is likely to provide full benefits to users with a great volume of information easier to find and access.
- *Cost for the EU*: slightly greater than Option 2 as the ESAP would cover more information and the ESAs would be mandated to develop specific metadata and machine-readable formats for more datasets. Resources needed to develop associated level 2 measures would be alleviated by a phasing approach.
- *Cost for the national collection points:* Interconnection costs for each collection point would be the same as for Option 1 and 2 (i.e. EUR 50 800) as these costs apply regardless of the amount of datasets. The collective costs for all existing collection points would be around EUR 3 098 800[123].

Other economic, environmental, social and fundamental rights impacts

Same as Option 2

Coherence with other initiatives

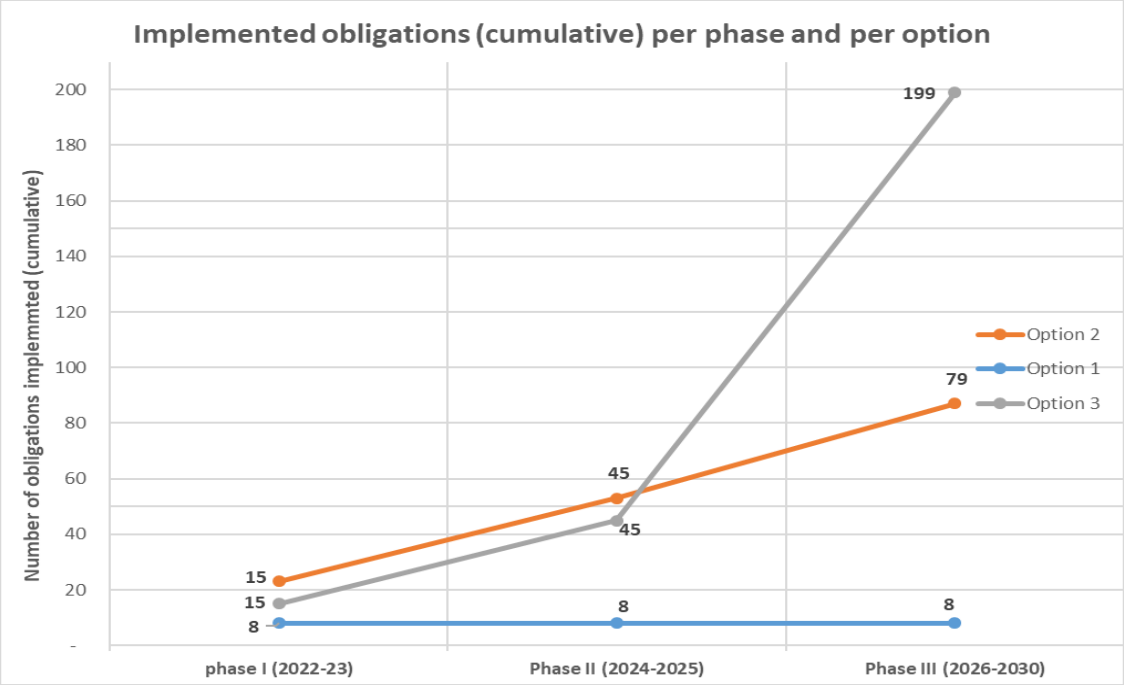
Same as Option 2.

[123] EUR 50 800 * number of different collection points currently established (i.e. 61, counting 58 collection points across all Member States + 3 collection points for the ESAs).

6.1.4 *Preferred policy option regarding the scope*

The figure below summarises the number of reporting obligations per phase and per policy option regarding the scope of information:

Figure 7: Cumulative number of public reporting obligations implemented per phase and per option examined



A comparison of the different policy options is summarised in Table 4.

Respondents to consultation overall did not see so much merits in having the widest scope possible for the ESAP (38% agreed or somewhat agreed), many thinking that a focus on the most desirable data could suffice, and that too wide a scope may jeopardise the success of this initiative[124].

Nevertheless, based on assessment of options and their comparison, **option 3** covering the widest range of information **is a preferred option as the most effective, in combination with a phased in approach**. It is the most efficient to achieve the specific ESAP objectives, whereas the costs implied are only marginally higher than option 2. A phased in approach would avoid the risks of overwhelming the project.

6.2 Impact and comparison of the policy options regarding the format of the information accessible via ESAP

6.2.1 *Option 1 - All existing formats are accepted + common minimum metadata for all info disclosed + specific metadata for non-machine readable formats*

Effectiveness in meeting the specific objectives

Accepting all the existing formats (including non-open extractable formats) would only in part facilitate the digital use (and re-use) of data as only a very few datasets would be in a data extractable format. Extractable data formats allow for

[124] Consultation on the ESAP – Summary of responses – Q1, page 4

the machine to carry out basic search and analysis functions, especially with the inclusion of a set of basic common metadata for all the information disclosed (such as a legal entity identifier). However, only machine-readable formats – which presuppose also the structuring of the data content in addition to the use of a taxonomy for the format – allow for full comparability. Hence, the objective of further digital use would hardly be met for any main type of user identified in Annex 6, which is neutral compared to baseline.

Cost-analysis

The efficiency of this option is somehow negative compared to baseline due to low effectiveness yet somehow non-negligible additional costs, especially for preparers and collection points.

- *Cost for preparers:* They would keep applying the existing disclosure requirements as regards the format. The costs of having to include additional common metadata are considered immaterial, except for the acquisition and maintenance of a legal entity identifier (LEI or other), of a digital certificate and of a signing tool that are estimated around EUR 600 per year[125]. There could be further costs to include specific metadata for data in non-machine-readable formats subject to the Commission's exercise of its delegated powers (however such costs would be subject to a dedicated cost-benefit analysis ahead of the adoption of the relevant delegated acts). The costs for entities to publish their voluntary information on the ESAP are not considered in this cost-analysis because such publication would be optional.
- *Costs for users:* Regardless of the open data preferred option (see Section 6.4), it is expected that any costs that users would face would be reasonable and outweighed by expected cost savings as a reasonable amount of information would be quicker to find and easier to analyse, translate, and compare.
- *Cost for the EU:* The ESAs, and ESMA in particular, have sufficient resources to develop secondary legislation associated with this initiative.
- *Cost for the national collection points:* The costs for each collection point to implement the metadata is estimated to be around EUR 25 000, while maintaining a signature validation service is estimated around EUR 800.

Other economic, environmental, social and fundamental rights impacts

Ensuring a minimum level of digital usability by introducing a common set of metadata will also enhance use of ESG data, which is expected to help investors better reflect environmental and social impacts and risks related to their investments. However impacts are limited, especially expected economic benefits due to little changes brought by this option.

Coherence with other initiatives

This option - which would ensure comparability of entities' information only to a minimum extent – would nevertheless contradict no extant EU law.

[125] Analysis carried out by the external contractor BR-AG. Cost of acquiring and maintaining an LEI (recurring cost) is estimated as around EUR 60 per each entity, while the cost for the signing tool would be around EUR 160 and the one for the digital certificate would be around EUR 380.

6.2.2 Option 2 – Certain information to be in an open and widely used data extractable format that enables machine-readability. For the remaining information, all existing formats accepted + specific metadata for non-machine readable formats. Common minimum metadata for all types of information

Effectiveness in meeting the specific objectives

Requiring an open and widely used data extractable format that enables machine-readability for a list of specific dataset - granting the Commission with delegated powers to specify the most appropriate format for each specific dataset - would facilitate digital use (and re-use) of data to some extent, and address to a fair extent barriers or hurdles currently in place. Based on the responses received in our targeted consultation, the introduction of structured data formats allowing for machine-readability would be useful primarily for financial statements (86%), listed entities' half-yearly financial reports (78%), sustainability-related information (73%), management reports (68%), audit reports (58%), changes in voting rights (47%), remuneration policies (45%) and prospectuses (44%). Standardising formats of information disclosed by entities improves data findability, interoperability and machine readability, and lowers linguistic barriers. This objective would be best achieved by introducing delegated powers to the Commission to specify (via the European Supervisory Authorities) the most appropriate specific extractable format to be used, which would ensure that the EU framework accommodates future technological progress. This option would therefore achieve to a fair extent the objectives relating to digital use of information, equally for all types of users. However this objective would not be fully achieved due to limited extent of data extractable formats in place, compared to a big volume of information expected as a result of the wide scope chosen as preferred option. By limiting the extent of digitally usable data – leading to much information being available but not digitally usable – this option would not enable to meet the overall objectives of further integration of internal markets and netter allocation of capital. Hence the option is moderately positive against baseline as regards effectiveness.

Cost-analysis

The efficiency of this option is negative compared to baseline due to neutral effectiveness yet somehow non-negligible additional costs, especially for collection points.

- *Cost for preparers:* the costs to prepare information in a data extractable format would remain quite low, even though not necessarily inexistent.
- *Costs for users:* Regardless of the open data preferred option, it is expected that any costs that users would face would be reasonable and outweighed by expected cost savings as more information compared to Option 1 would be quicker to find and easier to analyse, translate, and compare.
- *Cost for the EU:* The ESAs would need to put more resources compared to Option 1 as they would me mandated to develop regulatory technical standards for specifying the most appropriate extractable format in addition to standards for the specific metadata regarding non-machine readable formats – however in manageable size under current setting.
- *Cost for the national collection points:* the same as Option 1 as these costs apply regardless of the amount of information received.

Other economic, environmental, social and fundamental rights impacts

Same as Option 1

Coherence with other initiatives

Same as Option 1.

6.2.3 Option 3 - Only open and widely used data extractable formats that enable machine-readability are accepted + common minimum metadata for all information/documents

Effectiveness in meeting the specific objectives

Accepting only open and widely used data extractable formats that enable machine-readability, specifying a common set of metadata for all information accessible via the ESAP, and granting the Commission delegated powers to specify the most appropriate machine-readable format to be used for each specific dataset would achieve the specific objective of facilitating digital use (and re-use) of data to a greater extent, eliminating the barriers currently in place. Requiring open and widely used data extractable formats for all entities' financial and sustainability-related information would indeed improve data findability, interoperability and machine readability to the maximum extent. This approach is also aligned with the preference expressed by most users during our consultation activities[126]. This option would therefore achieve to a great extent the objectives of enabling digital use of information, in coherence with the wide preferred scope. The different types of users identified in Annex 6 would equally benefit from this approach. By enabling full extent of digitally usable data – leading to all information available being digitally usable – this option would enable to meet the overall objectives of further integration of internal markets and netter allocation of capital.

Cost-analysis

The efficiency of this option is slightly negative compared to baseline due to high effectiveness, yet somehow non-negligible additional costs, especially for preparers and collection points.

- *Cost for preparers:* In addition to the costs presented under Option 2, costs could be slightly higher as all the information would have to be in a data extractable format and there could be further costs to draw up the information in a non machine-readable format subject to the Commission's exercise of its delegated powers to develop these formats (however such costs would be subject to a dedicated cost-benefit analysis ahead of the adoption of the relevant delegated acts).
- *Costs for users:* Regardless of the open data preferred option, it is expected that any costs that users would face would be reasonable and outweighed by expected cost savings as more information compared to Option 1 and 2 would be quicker to find and easier to analyse, translate, and compare.
- *Cost for the EU:* Similar to option 2.

[126] 68% of the users participating to our workshop believe that all information accessible via the ESAP should be machine-readable.

- *Cost for the national collection points:* the same as Option 1 and 2 as these costs apply regardless of the amount of information received.

Other economic, environmental, social and fundamental rights impacts

Same as Option 1 and 2

Coherence with other initiatives

Same as Option 1 and 2

6.2.4 *Preferred policy option regarding the format*

A comparison of the different policy options is summarised in Table 4. Based on assessment of options and their comparison, **option 3** is the preferred option as the most effective and efficient. Although requiring common metadata for all information and at the same time accepting all kinds of format (Option 1) or requiring only a predetermined set of information to be machine-readable (Option 2) provide some level of comparability and are less costly for stakeholders, **Option 3** requiring open and widely used data extractable formats and metadata **is the only one that would facilitate digital use and re-use by any type or user of the information to a large extent,** yet imply reasonable additional costs compared to baseline and in comparison to less ambitious options..

6.3 Impact and comparison of the policy options regarding the collection of the information accessible via ESAP and the interconnection of the existing collection points

6.3.1 *Option 1 – Entities submit the information directly to the OAMs or to other collection points that send it to the OAMs. Only OAMs are interconnected with the ESAP.*

Effectiveness in meeting the specific objectives

Interconnecting only the OAMs with the ESAP achieves the objective of a seamless and integrated access to entities' data only in part, as there would be an intermediate step between the collection points and the ESAP (i.e. the submission to the OAM by the other collection points). This could jeopardise the provision of timely information via the ESAP. On the other hand, in the absence of a collection point specified at EU level, requiring submission of all information to the OAMs facilitates access to information at EU level. Based on our consultation activities, receiving different documents in different formats does not constitute an issue for most OAMs[127]. Hence this option is moderately effective compared to the objective of increased information circulation, if information submitted is not timely to attract users.

Cost-analysis

The efficiency of this option is negative compared to baseline due to low effectiveness yet somehow non-negligible additional costs for collection points.

[127] This is the view of 61% of the OAMs participating to our workshops.

- *Cost for preparers:* Preparers would not incur notable additional costs as they would keep submitting the information to the existing collection points[128]. Sending information to a newly designated collection point (in the absence of an existing one) would entail minor additional filing costs, estimated around EUR 200 per year (recurring) also depending on the amount of information that has to be filed. Negligible costs are also associated with the possible creation of an account with a collection point (where needed).
- *Cost for the national collection points:* the national collection points that are not OAMs would have to submit the information to the OAMs, which could imply additional costs. As already quantified under dimension 1, OAMs would incur in limited additional costs, such as the implementation of the API (estimated around EUR 25 000 per each OAM, one-off), regardless of the amount of information received, for a total collective amount of EUR 650 000 for all existing OAMs[129]. Further costs would be entailed as regards the data transmission costs to the ESAP[130] and in relation to the increased amount of stored data[131].

Coherence with other initiatives

The option is coherent with the existing EU framework of national collections points and reporting obligations, including when it points preparers to an NCA for filing information.

6.3.2 Option 2 - Entities submit the information to a collection point that is interconnected with the ESAP at the same time as they make the information public. OAMs, ESAs (where needed), NCAs (where needed) and other collection points are interconnected with the ESAP.

Effectiveness in meeting the specific objectives

Interconnecting the ESAP with the OAMs, NCAs' (where needed) and ESAs' databases (where needed), with the possibility to interconnect also other collection points achieves the objective of a seamless and integrated access to entities' data to a greater extent compared to Option 1. There would be no intermediate step between the collection points and the ESAP, which would ensure the provision of timely information via the ESAP. Moreover it would allow Member States to choose which collection points should be interconnected. Hence this option is effective to enable achieving the objective of increased information circulation.

Cost-analysis

The efficiency of this option is slightly negative compared to baseline due to high effectiveness yet somehow non-negligible additional costs, especially for collection points.

- *Cost for preparers:* the same as Option 1.

[128] 17% of the filings already have to be filed with a collection point under EU law.
[129] EUR 25 000 * number of existing OAMs (i.e. 26).
[130] These costs are considered negligible.
[131] This cost was not assessed.

- *Cost for the EU/national collection points:* all EU/national collection points interconnected with the ESAP would incur costs such as the implementation of the API (estimated around EUR 25 000 per collection point, one-off), regardless of the amount of information received, for a total collective amount of around EUR 1.5 million[132]. These would be higher compared to option 1 as other national and EU collection points are now interconnected with the ESAP in addition to OAMs. Further costs would be entailed as regards the data transmission costs to the ESAP[133] and in relation to the increased amount of stored data[134].

Coherence with other initiatives

The option is coherent with the existing EU framework of national collections points and reporting obligations, including when it points preparers to an NCA for filing information.

6.3.3 Option 3 - Entities submit the information only to the OAMs, which send it to the national/EU supervisory authorities. Only the OAMs are interconnected with ESAP.

Effectiveness in meeting the specific objectives

By multiplying intermediate points in the chain of transmission of the information, this Option would achieve only in part the specific objectives as it would require substantial changes in the existing practices for reporting, put OAMs in charge of submitting the information to the EU/national supervisory authority, and require OAMs to expand their scope considerably to accept all information in the scope of ESAP, as well as imply delays.

With high risks of deterring users to access information from that system, it is estimated that this option would hardly enable to meet the objective of increased information circulation.

Cost-analysis

The efficiency of this option is negative compared to baseline due to low effectiveness yet somehow non-negligible additional costs, especially for collection points.

- *Cost for preparers:* the same as Option 1 and 2.
- *Cost for the national collection points:* In addition to the costs presented in Option 1, OAMs may also have to face additional costs for having to send the information to the national/EU supervisory authorities.

Coherence with other initiatives

Whereas the option would remain coherent with the national collections points as they were implemented further to existing EU legislation, it would be quite

[132] EUR 25 000 * number of different collection points currently established (i.e. 61).
[133] These costs are considered negligible.
[134] This cost was not assessed.

inconsistent with reporting obligations pointing preparers to file information with collection points other than an OAM, such as an NCA, as is the case for instance for prospectus. This could disrupt or at least alter the supervisory duties intended by the EU law.

6.3.4 Preferred policy option regarding the collection of the information and the interconnection of the collection points

A comparison of the different policy options is summarised in Table 4. Based on assessment of options and their comparison, **option 2 is a preferred option** as it is the only one fully building on the existing collection requirements and practices and allowing Member States to decide which collection points should be interconnected with the ESAP, yet ensure sufficient timely delivery of information by the ESAP.

6.4 Impact and comparison of the policy options regarding open data

6.4.1 Option 1 – A single open licence

Effectiveness in meeting the specific objectives

Users are in general wary of usage restrictions of all sorts imposed by legal or other constraints: licences, copyrights, risks of infringing business secrecy. This particularly acute for service providers, but poses also problems to other types users in their processing of information. Adopting a single license at EU level and having the same licensing terms applying to data retrieved from collection points by the ESAP would facilitate data access and effectively remove barriers to the digital re-use of data, and could be highly effective in enabling digital re-use.

Cost-analysis

The efficiency of this option is slightly negative compared to baseline due to high effectiveness yet non-negligible additional losses of opportunities and costs for collection points.

- *Cost for preparers:* Preparers would not incur any additional costs.
- *Costs for users:* Many users will be able to re-use the information more easily due to unified terms of use. In particular, data vendors reselling data, as well as fund managers and other market participants manufacturing financial products or providing investment advice or insurance advice will benefit from a single open licence when disclosing their approach to the integration of sustainability risks and the consideration of adverse sustainability impacts. This option will hence contribute to reduce processing costs.
- *Cost for the EU:* no effects.
- *Cost for the national collection points:* costs for the EU/national collection points will vary depending on the possible difference between the existing terms of use applied by the collection points (who might prohibit the free reuse of data in order to sell it) and the terms of the new single open licence (which would allow re-use for free). The existing terms of use applied by collection points can be very different from one collection point to the other (Annex10). Collection points that currently do not apply an open license

may have to change the way they operate their data, which may affect revenues from the bulk sale of data[135], if any, either driving revenues downwards or modifying the sales mix. Hence negative impacts are quite likely with this option.

Coherence with other initiatives

This Option could be coherent with the objectives of the Open Data Directive, and especially High Value Datasets defined therein, however heavy EU intervention on national licensing regimes would go beyond the requirements of this Directive and hence, ultimately reduce the coherence.

6.4.2 Option 2 – Equivalent open licenses

Effectiveness in meeting the specific objectives

The analysis of user's benefits is similar to Option 1. Uniform re-use rights are ensured by the specification at EU level (via delegated acts) of the "reference licence" and its equivalent terms with which the different licences applied by each collection point should comply. This Option would be effective in facilitating data access and removing barriers to the digital re-use of data.

Cost-analysis

The efficiency of this option is neutral compared to baseline due to high effectiveness yet somehow non-negligible additional losses of opportunities and costs for collection points.

- *Cost for preparers:* Preparers would not incur any additional costs.
- *Costs for users:* Although terms of use are not exactly the same across collection points, the use of common terms at EU level will enable users to re-use the information more easily, and contribute to reduce processing costs. Benefits for users would be slightly lower compared to Option 1.
- *Cost for the EU:* no effects.
- *Cost for the national collection points:* Similar to Option 1, costs for the EU/national collection points will vary depending on the possible difference between the existing terms of use applied by the collection points and the term of the new equivalent open licences. However, by offering more flexibility, this option would limit negative impacts for collection points to quite a great extent, enabling them for instance to remain consistent with national practices.

Coherence with other initiatives

By permitting the application of national licensing regimes complying with the Open Data Directive, including as regards High Value Datasets defined therein, this option is coherent with this Directive. However the EU intervention would

[135] An activity that is permitted by the free itemised access via the OAM's web portal.

reduce leeway for the Member States in implementing this Directive, thus somehow – but to a limited extent – result being detrimental to coherence.

6.4.3 Option 3 – License chosen by each collection point

Effectiveness in meeting the specific objectives

The analysis of user's benefits is similar to Option 1. This option is less effective in meeting the objective of removing barriers to re-use as each collection point determines the license applying to the data, although such license is in conformity with the Open Data Directive and implementing acts. Even though users would benefit from overall open licenses when re-using the data, they would still have to deal with multiple licensing terms that would ultimately not allow them to easily re-use the information. Hence this option would be neutral compared to baseline and it would not enable to meet the objective intended for digital re-use by users.

Cost-analysis

The efficiency of this option is slightly negative compared to baseline due to low effectiveness yet negligible additional losses of opportunities and costs for collection points.

- *Cost for preparers:* Preparers would not incur any additional costs.
- *Costs for users:* As terms of use can diverge across collection points, this option will facilitate re-use of the information by users to a lower extent compared to Options 1 and 2. Benefits for users would be lower compared to Options 1 and 2.
- *Cost for the national collection points:* the costs of this Option are linked to the application of the Open Data Directive. Similar to Option 1 and 2, costs for the EU/national collection points will vary depending on the possible difference between the existing terms of use applied by the collection points and the term of the new equivalent open licences, however with less effects than option 1 and 2.

Coherence with other initiatives

This Option would be highly coherent with national licensing regime for the High Value Datasets foreseen by the Open Data Directive as the ESAP would not interfere with national licensing regimes.

6.4.4 Preferred policy option regarding open data

Based on the responses received in our targeted consultation, 77% of respondents would favour an open data approach implying that no fees would be applied.

Option 3 is discarded upfront as it would not allow a uniform user experience on data retrieved from the ESAP. For instance, re-use of packaged types of similar datasets (e.g. corporate sustainability reports of many entities) would result in thorny re-use rights because these datasets were pushed in the ESAP by distinct collection points with different licenses. Some consistency can be expected from the Open Data Directive, however with limited effects as regards private collection points.

Option 1 and 2 would achieve substantially similar and fair user experience on re-use due to the application of a single or equivalent licenses. On the collection points side, the application of a single mandatory open license may tally with the objective of ensuring re-use, but the lack of flexibility could entail difficulties with regard to datasets initially made available upstream under a licence which is different from the reference licence. For instance, the EU approach may prevent the use of certain national open licenses hence introducing distortions at national level or at collection point level.

Based on assessment of options and their comparison, **option 2 is the preferred option**.

6.5 Impact and comparison of the policy options regarding governance

6.5.1 Option 1 – Private entities supervised by ESMA

Effectiveness in meeting the specific objectives

Private ESAPs would offer the same complete set of information to users with generally access for free to information in basic ways (e.g. web portal). It is expected that the ESAPs would compete on additional services allowing them to charge fees for premium services, including possibly via APIs with a (paying) key.

By being placed in competition, on the basis of highly flexible private entities, and directly in relation with market players on user side, this option would be the most effective in responding to market needs, assuming proper safeguards are in place (these could be developed as part of the registration conditions) and proper supervision is ensured by ESMA.

A major risk though, is that no private entity volunteers to be an ESAP – which would be a fully ineffective situation as the objective of increased information circulation would not be met.

Another risk is that in this setting, there would be no control on the governance models of the private entities, hence inability to impose the participation of public bodies (Commission, NCAs...) users, preparers etc., thus leaving strategic orientations to be decided by the private bodies' governance system. An EU authority, ESMA, would supervise the entities, but this does not amount to controlling the strategic dimension.

On another note, the vast majority of users consulted were not supportive of a private consortium in the fear of high use costs over data that is considered as public good. Most stakeholders would consider that this model does not comply with the overall shared opinion that the ESAP should be governed by an EU body.

Cost-analysis

The efficiency of this option is slightly negative compared to baseline due to high effectiveness yet potentially higher costs on users.

- *Cost for preparers:* Preparers would not incur any additional costs.
- *Costs for users:* This option would entail costs for certain users.

Depending on their own model, each ESAP would recover its costs by either competing on additional services allowing them to charge fees for premium services (most likely), or on the basis of "philanthropic" funding (less likely) including intra-group support for other business purposes.

Hence "power users" would most likely have to pay for the services they need. Many stakeholders believe that this is fair as they would also be the main beneficiaries of the ESAP. The amount of fees would most likely have to be such that revenues of an ESAP on that basis should cover all the costs, including those to support free access. As a mitigating factor, competition could ensure that fees are kept to a fair amount. Nevertheless, the multiplication of ESAPs could drive user fees up to recover the corresponding multiplication of costs, hence higher fees.

It is difficult to estimate precisely how many power users could exist. Based on an analysis of the usage of EDGAR[136], it appears that up to 100 users download more than 2 Terabytes per year. Taking a conservative approach, it can be assumed that there could be 50 users that may have a similar usage of EU information.

The market conditions would highly depend on the number of ESAPs, the way each ESAP builds its system, the way ESAPs integrate the data market and compete, the integration of the ESAP within their own business model, etc. Whereas it is not possible to predict how much a private ESAP would incur as costs annually, it can be roughly estimated that in order for each ESAP to recover its operating costs, fees could be in average for the power users in the range of EUR 50 000 to EUR 250 000 per year per power user (assuming 1 to 5 private ESAPs and annual recurring costs of EUR 2.5 million each). Fees could vary depending on each power user and service provider, including outside this range. Benefits for each power user would depend on each user. It is estimated that the reduction in search / processing costs could still reasonably exceed the additional fees for many power users (based on partial feedback received on current search and processing costs reported in consultation).

- *Cost for the EU:* Additional staff needed by ESMA to fulfil its tasks (registering and overseeing the ESAPs) is estimated to 1.5 FTE. This would represent a total cost for ESMA of EUR 1.2 million over the period 2024-27, i.e. EUR 0.3 million per year. These costs would be fully financed by fees charged by ESMA on the ESAP entities, according to a breakdown to be decided at level 2, hence have no impact on the EU or NCAs' budget.

- *Cost for the national collection points:* Collection points would incur no significant additional costs with this option, even though they may have to deal with several ESAPs (same API for all).

Coherence with other initiatives

Similar models exist already in the financial services, with for instance Securities Repositories:

[136] BR-AG

- Private entities run each Trade repository (TRs). They undertake to centrally collect and maintain the records of derivatives under Regulation EU No 648/2012 (EMIR). Under EMIR, ESMA has direct responsibilities regarding the registration, supervision and recognition of TRs. There are currently more than 10 registered SRs. It is considered in the law that SRs may have revenues generated from core functions and revenues from ancillary services[137].

- Private entities run each Securitisation repositories (SRs) under Regulation (EU) 2017/2402 (the Securitisation Regulation). They centrally collect and maintain the records of securitisation instruments and underlying assets. There are currently 2 SRs (including for instance European Data Warehouse – EDW). Under the Securitisation Regulation, ESMA has direct responsibilities regarding the registration and supervision of SRs. One SR interviewed explained that revenues are necessary to recover costs and that revenues include fees charged to certain users (as designed by this SR).

6.5.2 Option 2 – A concession overseen by the Commission

Effectiveness in meeting the specific objectives

A concession via procurement to a private entity would be quite effective way of having an access point that is a user-friendly and responds in a timely manner to market needs. It corresponds to the largely shared wish of stakeholders to see the ESAP governed by an EU body, as the Commission would remain in control.

The contractual approach would be framed so as to ensure full alignment with public-interest. Specific risks entailed would have to be addressed in a proper way, including risks related to security, conflicts of interest, fraud and data protection. Also, additional risks could arise in relation to the regular renewal of a contract would need to be considered. These risks could be managed as follows:

- By indicating in the call for tender the prominence given to potential conflicts of interests in the choice of contractor;

- By carefully designing contractual obligations encompassing all the necessary features if an ESAP. In particular, contractual obligation to take account of the opinions of the advisory forum;

- By ensuring that the contractor will comply with relevant legal requirements as developed in the ESAP legislation, and by implementing a mechanism to ensure that legal requirements are complied with (e.g. alert system or other), including on data protection;

- Possibly: by requiring an independent audit to check whether costs are reasonable and incurred in the interest of the ESAP and whether user fees charged do not go beyond the recovery of costs incurred for the ESAP;

- By inserting a clause that Commission will be the owner of the infrastructure designed, up the funding provided, in case of on-renewal of the contract + contractual obligation to ensure a smooth takeover for the new contractor.

[137] Commission Delegated Regulation (EU) 2019/360 of 13 December 2018 with regard to fees charged by the European Securities and Markets Authority to trade repositories

This option therefore ensures a fair level of effectiveness, however still associated with certain risks possibly hampering the objective of increased information circulation where, for some reason, the contractor would change – temporary disruptions in that case during the transitional period until the new contractor fully meets specifications, which makes it neutral/positive compared to baseline.

Cost-analysis

The efficiency of this option is neutral/negative compared to baseline due to neutral effectiveness and moderate additional costs on users, but also additional costs on public budgets – at least temporarily.

- *Cost for preparers:* no additional costs.
- *Costs for users:* This model would allow for user fees to be charged on "power users". A prudent estimation is that there could be 50 of these willing to pay for premium services from the ESAP. Fees charged would highly depend on the mix of public funding versus fees (see below), and it is estimated that in average, EUR 70 000 per year per power user would enable the contractor to recover its costs. The amount would vary upwards or downwards depending on each power user. The amount of fees would most likely have to be such that revenues of an ESAP on that basis should cover all or part of the costs needed to support free access. As a mitigating factor, the amount of fees would be contractually controlled by the Commission, and it is estimated that after the implementation phase, user fees would generally not exceed the reduction in search and processing costs incurred by users (depends also on the situation of each user).
- *Cost for the EU:*
  - Total cost (5 years total to maturity of the system): EUR 15.2 million[138], including development costs (one off): EUR 6.2 million, recurring operating cost for the maintenance and operations: EUR 6.7 million, and governance costs: EUR 2.3 million including EUR 1.0 million for contract and expert group management at Commission level (1 FTE) and EUR 1.3 million for the conduct by contractor(s) and assurance.
  - Annual costs:
    - First 5 years: EUR 3.0 million per year (average)
    - After 5 years, EUR 2.4 million per year.

  Under this option the ESAP could be funded by a mix of EU public funds and private funding. EU funding would be used in the beginning to build the system, and be replaced progressively until 2027 by revenues raised by

[138] The costs of the development and maintenance of the IT system are a best estimate based on an analysis of multiple models and final recommendations by BR-AG. Details of the preferred architecture design, costs and implementation phases in Annex 17. It is estimated that about 5 years are necessary to reach maturity of the system, e.g. from mid-2022 until 2027. The architecture retained is consistent with the preferred options. It nevertheless will be up to the governing body to retain the final design of the IT architecture. Hence costs retained for this impact assessment may vary to a certain extent depending on final choices. Based on a rough sensitivity analysis, it is estimated that variations around the current estimate would not be too significant, and in any case would not influence ultimately the analysis about governance and funding in this section.

the contractor (user fees) after the minimum viable products is reached in 2025. From 2028, the contract would be fully self-funded via revenues raised by the contactor. The EU would fund the Commission staff costs (EUR 0.2 million per year) on a continuing basis from 2022.

A rough estimate is that under the current Multiannual Financial Framework, EU funds would cover a maximum of EUR 11 million (2022-2017). The Digital Europe Programme could be mobilised (confirmation pending) over 2022-2027.

An issue inherent with this approach is that it may prove difficult to calibrate the contractor's revenues to match exactly the contract expenses, as the number of power users and the extent of services may vary significantly over time.

- *Cost for the national collection points:* no additional costs.

Coherence with other initiatives

Such an approach is coherent with other systems involving a register, such as for instance the Tobacco "track and trace"[139] system. There are no identified specific contra-indications to implement a similar system for the ESAP.

6.5.3 Option 3 – ESMA in charge

Effectiveness in meeting the specific objectives

ESMA is the reference EU authority on securities and EU markets, hence, given the scope of information intended, a very well placed authority to take the tasks on board. This would fully serve the largely shared wish of stakeholders to see the ESAP governed by an EU body. It is also highly effective in that risks of disruptions are nearly inexistent, thus ensuring circulation of information on a continuous basis.

Cost-analysis

The efficiency of this option is neutral/positive compared to baseline due to high effectiveness and full benefits for user, yet bearing some inevitable costs for setting up the ESAP, to be funded entirely on public budgets.

- *Cost for preparers:* Preparers would not incur any additional costs.
- *Costs for users:* no costs for users (see below).
- *Cost for the EU:*
  - Total cost (5 years total to maturity of the system): EUR 14.5 to 16 million, including development costs (one off): EUR 6.2 million, recurring operating cost for the maintenance and operations: EUR 6.7 million, and governance costs: EUR between EUR 1.6 million (if

[139] Systems for tobacco traceability and security features | Public Health (europa.eu).

contract agents) and 3.1 million (if temporary agents) corresponding to additional 3 FTE, including 1 FTE for technical governance[140].

- Staff to govern the project and manage IT – 3 additional FTE in ESMA (alternatively EUR 3.0 million if);

- Annual costs:
  - First 5 years: EUR 3.2 million per year (average)
  - After 5 years, EUR 2.5 million per year.

As regards funding, the legal and administrative aspects of ESMA fee income in relation to the ESAP cannot be safely estimated at this stage, as this will depend on investment, markets and legal grounds. Speaking of an EU body, the amounts of fees to be charged on users is highly dependent on the willingness and ability of ESMA to build a specific 'premium' offer. From a legal standpoint, the revenues from "power users" in this setting may have to be limited to the marginal additional costs necessary to build such services, hence be quite limited. As this source of funding is highly uncertain at this stage, it is suggested to retain a prudent approach where costs incurred by ESMA to build and operate the ESAP would be funded 100% on public funds for an indefinite period, with no reliance on user fees.

The following approach is suggested:

- Until the adoption of the legislative package, the Digital Europe Programme[141] could be mobilised (subject to agreement) to cover 100% of the costs, i.e. an estimated maximum of EUR 5.0 million over 2022 and 2023; and

- After the adoption of the legislative package, 40% of the costs, on the basis of the current funding scheme of ESMA, would be provided on a structural basis on the EU budget, i.e. an estimated total EUR 4.3 million over years 2024-2027, and EUR 1 million per year from 2028 onwards (EUR 2.5 million x 40%).

- **Overall cost for the EU under the current Multiannual Financial Framework (2022-2027) would amount to max. EUR 9.3 million.**

- *Cost for the national collection points:* up to EUR 6.7 million, i.e. 60% on Member States' National Competent Authorities (NCAs) budgets to reflect the current funding scheme of ESMA. NCAs will represent a large portion of collection bodies. Private collection bodies would incur no additional costs.

[140] Both at constant 2021 prices and including, building and standard IT costs ('habillage') and an estimation for other administrative costs and assuming that the 2021 correction coefficient for Paris (120.5) applies throughout the period 2022-2027.

[141] The operational modalities (e.g. initial procurement procedure by the Commission with involvement of ESMA, or Contribution Agreement to ESMA) would be determined taking into account practical constraints and the need to advance preparation of the system.

Coherence with other initiatives

This approach is the most coherent with the approach chosen by third countries for a similar service. A limitation by design is however that ESMA's authority extends to capital markets, whereas the scope of the ESAP would cover information beyond capital markets (product-related information, information from SMEs/non-listed companies, banks and insurance companies)[142], hence driving ESMA beyond its remit. This would be mitigated by the involvement of other ESAs through the joint Committee or other mechanism and a properly designed consultative group.

6.5.4 Preferred policy option regarding governance

A concession by the European Commission (option 2) would probably be the least effective. Governance would rely on contractual relations between the Commission and the contractor. There would high risks connected with this options, especially as regards continuity and conflicts of interest. Besides even though it is foreseen to be able to raise revenues from certain users, this option is the most costly for the EU budget over this Multiannual Financial Framework – but the least demanding in terms of public funding afterwards - associated with high risks as regards the ability to calibrate revenues to match the costs,.

A private led governance of the ESAP (Option 1) would be very (and perhaps the most) effective in responding to market needs, assuming proper safeguards are in place, even though there would be little steer by public bodies on their strategies. Risks is that no private player takes on the task, which would lead this option to being ultimately ineffective – Commission services estimate that this risk is remote though, given as the package is deemed attractive enough to interest existing players or new players, and fees might not be the only source of funding in cross subsidising businesses (e.g. data services providers) or sectors (e.g. fund managers willing to access data). It could reasonably efficient, assuming market forces find a balance in terms of competition and offer, leading to reasonable fees on 'power users' – however there is a risk that multiplying access points might overall increase the fees charged on users as in this option, users would support 100% of the costs hence coming with slightly reduced efficiency compared to baseline (assuming those fees would remain in most cases lower than current search costs experienced by power users to get access to the same information).

Governance by ESMA (Option 3) could find more support than the private option among important stakeholders groups such as the European Parliament[143] and stakeholders in general (consultation). This option is expected to be reasonably effective – even if possibly slightly less effective in terms of the ability to swiftly serve market needs than a private solution. On the plus side, appropriate consultation committees involving private parties such as users and preparers would compensate for this. In this option, public funds (EU and Member States) would support 100% of the costs – hence no additional costs for users. This responds to many stakeholders' view that the information is a public

[142] ESMA is involved in about 50% of the reporting obligations envisaged for the scope of the ESAP – source BR-AG. The addition of voluntary information, including from SME/non-listed companies, would drive this percentage down.

[143] European Parliament, Resolution of 8 October 2020, Further development of the Capital Markets Union (CMU): improving access to capital market finance, in particular by SMEs, and further enabling retail investor participation, P9_TA(2020)0266.

good. A proper open data policy would avoid building a public monopoly on this information.

As regards funding, the table below summarises the possible approaches for each option to support a discussion on fees, considering respectively public funds and fees as possible sources of funding:

Table 4: Funding sources per governance model

	Private ESAP(s)	Commission concession	ESMA
➢ **Public funds**	-	*Possible*	*Necessarily*
➢ **User fees**	*Necessarily*	*Possible*	*Unlikely*

Source: European Commission

The policy option to make data accessible free of charge (open data) does not contradict the ability to charge user fees for certain services – in this regard, it is coherent with broader EU initiatives. The Open Data Directive specifies that whereas data shall be re-usable for commercial or non-commercial purposes, the "conditions for re-use should be non-discriminatory for comparable categories of re-use. In that regard, the prohibition of discrimination should not, for example, prevent the exchange of information between public sector bodies free of charge for the exercise of public tasks, whilst other parties are charged for re-use of the same documents. Neither should it prevent the adoption of a differentiated charging policy for commercial and non-commercial re-use"[144]. An important principle is to limit revenues to the recovery of marginal costs. Likewise, the INSPIRE[145] Directive sets a general obligation that the discovery and viewing of data shall be available to the public free of charge, but by way of derogation to this principle, allows a public authority supplying such services to apply charges where such charges secure the maintenance of data sets and corresponding data services, especially in cases involving very large volumes of frequently updated data.

Ultimately, ESMA (Option 3) represents overall the best model to serve the governance of the ESAP considering effectiveness, efficiency and coherence altogether.

The comparison of the different policy options to baseline is summarised in Table 5.

[144] Open Data Directive (EU) 2019/1024, Recitals 16, 22, 46, Articles 3, 6, 11.
[145] Directive 2007/2/EC establishing an Infrastructure for Spatial Information (INSPIRE), Article 14.

Table 5 Overview of the impact of the policy options for the 5 key dimensions

		Scope of the information			Format of the information			Collection of the information and interconnection of collection points			Open data			Governance		
		Option 1	**Option 2**	**Option 3**	**Option 1**	**Option 2**	**Option 3**	**Option 1**	**Option 2**	**Option 3**	**Option 1**	**Option 2**	**Option 3**	**Option 1**	**Option 2**	**Option 3**
Effectiveness in meeting the specific objectives	Seamless and integrated access to information / increased circulation	+	+/++	++	N/A	N/A	N/A	0/+	+	-	N/A	N/A	N/A	0/+	0/+	0/+
	Facilitate digital use (and re-use)	N/A	N/A	N/A	0	+	++	N/A	N/A	N/A	++	+	0	N/A	N/A	N/A
Efficiency		0/-	0/-	0/+	0/-	0/-	0/-	-	0/-	-	0/-	0	0/-	0/-	0/-	0/+
Coherence with other EU initiatives		+	+	++	+	+	++	+	+	--	--	-	0	0	0	0/+

7 PREFERRED "AGGREGATED" OPTION

7.1 Summary of preferred aggregated option

The preferred "aggregated option" below is composed of the preferred option per each key dimension and per each other aspect examined separately in Annex 14.

(i) Scope of the information accessible via the ESAP

The ESAP would provide access to all entity, product and other information that has to be published by entities (EU and third country) under the scope of the EU financial markets and capital markets legislation[146], that is in addition relevant for the ESAP[147] and subject to a phased approach[148].

The ESAP would also (accept and) provide access to information that any entity wants to publish in the ESAP on a voluntary basis, insofar that information is relevant for EU financial markets.

(ii) Format of the information accessible via the ESAP

The ESAP would mandate information/documents prepared in an open and widely used data extractable format[149], subject to a phased approach. The ESAP would specify a common minimum set of metadata for all the information to be disclosed[150].

The Commission would have delegated powers on all the reporting requirements to adopt machine-readable formats where appropriate.

(iii) Collection of the information and interconnection of the existing collection points

Entities with reporting obligations keep submitting the information to the existing national/EU collection points specified under EU law[151] and keep publishing the information via the existing publication channels[152]. In the absence of a collection point specified under EU law, new obligations are added to the effect that entities submit the information (including their voluntary information, if they wish to have it accessible on the ESAP) directly to a collection point designated by the Member States that it is interconnected with the ESAP.

OAMs, NCAs (where entities submit information to the NCAs) and ESAs (where entities file information directly to the ESAs) are mandatorily interconnected with the ESAP. Member States can choose to interconnect other collection points with the ESAP.

Information must be filed with the collection point by entities subject to a reporting obligation at the same time as it is made public by the entity.

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[146] Full list in Annex 14.

[147] For instance, certain information such as high frequency trading information or consolidate tape may not be considered as relevant for the ESAP to handle, consistently with corresponding sectoral legislation.

[148] Annex 16: Phased approach for implementation of preferred aggregated option.

[149] i.e. scanned PDFs are not accepted anymore.

[150] Including a legal entity identifier – see also Annex 18.

[151] e.g. the NCAs, Officially Appointed Mechanisms "OAMs", the European Supervisory Authorities "ESAs", etc.

[152] e.g. via media, entity websites, etc.

(iv) Open data

Access to information by users is free of charges.

The information re-use is enabled by standard open licenses chosen by the collecting point equivalent to generally accepted open license – hence multiple licenses are allowed subject to being equivalent.

The Commission would have delegated powers to determine terms and/or their equivalence with the reference licence, such as e.g. CC BY.

(v) Timeliness of the information accessible via ESAP

The OAMs and the other collection points that are interconnected with the ESAP would make the information available on the ESAP within a predetermined timeframe. Hence the ESAP would have a repository function, and make the information available to the public in a timely manner.

(vi) Ensuring data integrity and credibility of the source, validation checks

Documents filed in the ESAP pursuant to a legal reporting obligation will have an electronic seal at the source (preparers' responsibility), based on certificates obtained from qualified trust service providers in accordance with eIDAS. The legal entity identifier is a mandatory attribute of the certificate.

In addition, the intervention would require validation checks to be performed by the ESAP at entry point (i.e. at the moment when submitted by a collection point) that are automated to the highest possible extent. Where appropriate, collection points would have the duty to address any rejection with the filing entity (help desks).

The Commission would have delegated powers to determine the nature and extent of those validation checks.

(vii) Removal of barriers to access with user friendly interface

The ESAP would rely on the governance system to address any unnecessary functional barriers (such as unfriendly user interface, barriers to easy retrieval of information) based on stakeholders' feedback.

(viii) ESAP functionalities for users (reflecting inter alia the preferred approach as regards language barriers

The ESAP would provide at least for the following functionalities: (i) Web portal/Application Programming Interfaces (APIs); (ii) search function to retrieve information; (iii) indication of the source of the information; (iv) machine translation service for retrieved documents; (v) reader; (vi) individual and bulk download; (vii) notifications/RSS feed.

The ESAP would provide functionalities for interfaces enabling at least search function in all EU official languages. E-translation services would apply at least to metadata.

(ix) File only once principle;

The intervention would introduce a principle allowing entities to file an information only once with leeway for the Member States on how to implement this. The 'file only once' principle would encompass all collection points for ESAP purposes. For

the sake of consistency and with regards to the subsidiarity principle, the file only once principle would not address bodies that are not collection points, and hence not in the scope of this initiative (e.g. stock markets that are not OAMs, most business registers, tax or other authorities, etc.).

(x) Grand fathering:

A prospective approach is preferred (no retroactive obligation for information to be in the ESAP).

(xi) Retention period;

The intervention would provide that datasets should be available in the ESAP for at least 10 years.

(xii) Governing body

The preferred option is the governance by ESMA

From a legislative drafting perspective, subject to agreement with the legal service, the ESAP legislative proposal would be composed of the following legal acts:

i) ESAP Regulation

This act would specify: the general principles of the ESAP as regards the scope of the information accessible via the ESAP (mandatory and voluntary filing); the ESAP structure (including list of minimum functionalities for users); the interconnection principles for EU/national collection points; the governance setting; and the mapping of the phasing in (Annex 16).

ii) Omnibus Directive/Regulation

This act would amend each relevant sectorial piece of legislation (see Annex 9) by: introducing delegated powers to the Commission to specify a machine-readable format where appropriate; specification of basic common metadata for each type of information; the obligation for entities to submit the information to the interconnected collection points at the same time as they make it public; obligation for Member States to ensure that for each reporting obligation there is a designated collection point interconnected with the ESAP.

The primary legislation would lay down the foundations for setting up an effective and efficient access point. It is anticipated that the Commission would specify at a later stage in so called "level 2 measures", items such as common standards on automated validation by the collection points, common standards on APIs, certain metadata (including the common legal entity identifier and where appropriate corresponding taxonomies), the characteristics of the qualified electronic seal, the timeframe for making information available from filing, licensing terms, conditions applying to voluntary information, and machine readable formats. This would be done in a staged approach (phasing in). A suggested timeframe for the phasing in on such measures is shown in Annex 16.

Annex 13 contains considerations on how the above setting, largely framed by the preferred options, will be future proof and evolutionary.

7.2 Impacts of preferred aggregated option

7.2.1 Economic impacts

Overall, the ESAP will contribute to further integrating the financial services and capital markets and hence contribute to a better allocation of capital.

The ESAP is expected to increase the circulation of information and the digital use of it, both within the Member States and across borders. It is estimated that searches of all types of information free of charge from the ESAP could reach 500 million annually 5 years after implementation[153], which is estimated to be above the baseline[154]. This will bring **higher, equal and indiscriminate visibility of any market participants and voluntary filer**, independently from their own size or the size of their market to investors, analysists, intermediates, researchers or funds. This should in turn ensure a better allocation of capital, including on a cross border basis. Research emphasises that enhancing the comparability of financial and sustainability-related information contributes to comparing investment opportunities[155], attracts financial analysts carrying out international comparisons[156] and fosters more efficient capital allocation by helping better investment decisions within the context of mergers and acquisitions[157]. Some academics also highlight that financial statement comparability lowers the cost of processing information[158], which in turn may translate into a **lower cost of capital for entities**[159]. In addition, the intervention could indirectly result in strengthened economic resilience through diversification of investments and funding sources.

The intervention may encourage investors – especially from other Member States or third countries – to access smaller national capital markets and provide funding to SMEs. This would reinforce the attractiveness of EU financial markets vis-a-vis third countries and enable the **EU to compete on equal footing to attract capital**.

The ESAP will in any event ensure that all the information available is at least in a data extractable format. A prerequisite for comparability is the standardisation of data, in other words data structuring. The EU offers some standardisation level notably for the financial reports, and recently proposed top develop higher standardisation for sustainability reporting[160]. With the potential to have further standardisation (i.e. machine readability) in the long run, the ESAP should contribute to expanding the digital use of information and thus to reducing analysis costs. Combined with increased circulation of information, this should even increase research and analytics

7.2.1.1 Competitiveness

The ESAP will also enable the offer of **innovative services** in the financial area based on analytics, big data or artificial intelligence / machine learning. It will as well enable access to and use on electronic devices (via service providers). The ESAP could also enable further services for retail investors by fintech, including robo-advice. By comparison, the US SEC's EDGAR allows for instance innovative service providers, such as e.g. Calcbench (Annex 22) to emerge. As a common data space, the ESAP should also enable artificial intelligence and machine learning tools to come into play over this information as foreseen by the Commission European Data Strategy[161].

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[153] BR-AG.
[154] Based on anecdotal evidence from interviews with a number of OAMs.
[155] Barth (2013).
[156] Simon Archer, Pascale Delvaille & Stuart McLeay (2012).
[157] Ciao-Wei Chen, Daniel W. Collins, Todd D. Kravet, Richard Mergenthaler (2016).
[158] Seil Kim, Pepa Kraft, Stephen Ryan (2012), Rani Hoitash, Udi Hoitash Ahmet Kurt, Rodrigo Verdi (2018).
[159] Michael J Imhof, Scott E. Seavey and David B. Smith (2017).
[160] Commission proposal of 21 April 2021 for a Directive on Corporate Sustainability Reporting.
[161] Communication: A European strategy for data, European Commission, 19.02.2020.

For investors, digitisation enables **efficiency gains**[162] and new services[163][164] which in turn underpin investment activities. More investors are in addition attracted to capital markets[165].

7.2.1.2 Users

The ESAP would **benefit all kinds of users** of information relevant for financial services and markets, including sustainability related information, **however not necessarily in the same way or with similar impacts**.

The ESAP is directed primarily to users such as **investors, financial analysts and market intermediaries** (e.g. asset managers, advisers or data aggregators). Other types of users – such as civil society, public authorities, law-makers or economists - may also see an interest in accessing the information through the ESAP.

From an **investor** perspective, and in accordance with the objectives of the Capital Markets Union, the ESAP will provide **centralised access to information relevant for the financial services and capital markets in a timely and efficient manner**, in the first place via search tools based on integrated metadata. Easier access to information on a larger number of entities[166] combined with metadata and other means to discover information, will enable **investors to save time and costs** for searching information. Thanks to **improved digital framework**, they will also be able to conduct more thorough **research**, **better compare and choose investment opportunities, including on SMEs**.

Data aggregators and data services providers would benefit from data on EU companies available in a **single access point** both directly and indirectly. Data aggregators themselves face large costs to retrieve "raw" information that is necessary for their added value services. They have to collect this information regularly from company websites, interact with companies, search national registers, etc. A single access point would impact these stakeholders in the form of a reduction of search costs and costs to ascertain the trustworthiness of data similar to other users, albeit on a large scale, and would respond to the increasing need for sustainability-related information. The application of open and widely used data extractable formats and adoption of machine-readable formats where appropriate might lead in addition to **time reductions and cost efficiencies in processing data** and improved exploration through data. Better access to financial and non-financial data by data aggregators through a single access point might allow them to indirectly impact the services of: (i) financial advisors, since having access to data of an entity based in another jurisdiction allows to prepare a better and more personalised offer; (ii) provision of credit to companies, including SMEs, since the lender would have access to a potentially broad range of data on the counterparty. As regards indirect impacts, access to data from the EU single access point, could potentially lead to

[162] Digitization has led to an increase in investments, Business Today, Rahul Jain, 29 May 2018.
[163] Understanding the Potential Value of Digitization for Business – Quantitative Research Results of European Experts, Reichstein, Härting, Neumaier, In book: Agents and Multi-Agent Systems: Technologies and Applications 2018 (pp.287-298), January 2019.
[164] The digitization mandate, KPMG, 2018.
[165] The digitisation of investing, Kim Fournais, FT Adviser, 6.11.2019.
[166] Compared to an estimated 4 200 issuers of securities on regulated markets (source ESMA + Commission estimate) currently filing information with the OAMs, the ESAP could bring around 163 000 additional entities to file information, depending on the scope of the ESAP such as funds and UCITs, audit firms, companies filing a corporate sustainability reporting after the adoption of the CSRD, etc.

provision of new and innovative services by data aggregators (e.g., data analysis), but also possibly by innovating companies (e.g., in fintech or as regards sustainability data) that could increase competition with data aggregators. This would be made possible by lower barriers to access data, opening up the case for further disintermediation. Assuming the market can be considered competitive, this could result in less costly value added services for end users. At the same time, it is unlikely that investors or other corporate data users would cancel their subscriptions with data aggregators as a result of setting-up ESAP, in a way in which ESAP would appear as a competitor. Users' needs go beyond raw data offered by the ESAP. In the United-States for instance, EDGAR provides access to information – with increasing share of machine readable raw data – but this does not necessarily affect the business of data aggregators.

For many stakeholders packaging financial products, easier access to environmental, social and governance (**ESG) information as users will represent a most welcome and long awaited progress. This should be even one of the main drivers to the ESAP uptake** if the ESAP allows access to reliable, complete and comparable raw ESG information from EU companies. The EU is a front runner in this domain, and needs to lead as well, on the access to this information. **Market participants manufacturing financial products or providing investment advice** or insurance advice will be able to **obtain more easily the information** they need to fulfil their obligations in respect of integrating sustainability risks and the consideration of adverse sustainability impacts. In addition, civil society showed particular interest in this kind of information.

Non-professional investors will be able to acquire and more easily compare information such as **KIDs**, thus contributing to more **efficient investment decisions**. End-investors will be able to take informed investment decisions due to lower search costs. In addition citizens, as **retail investors or consumers, and small and medium-sized enterprises (SMEs)** are also key for the sustainability transition. Many sustainable projects will be small and developed at local level – yet essential to supporting the green recovery. The ESAP will contribute to this achievement by **harnessing voluntary disclosure from SMEs**, thus offering easy access to local sources of information. In addition, financial advisors are the main point of contact for retail investors – and the ESAP will assist them in this endeavour.

7.2.1.3 Preparers

It is estimated that the initiative will affect around **167 000 preparers**[167], mainly as regards new obligations as regards digital preparation of information and **for some, new filing obligations** with a collection body. Among these, issuers of securities on regulated markets will be the least impacted by this initiative as they already report information to OAMs, NCAs and the stock markets, some of it already in machine readable format (Annual Financial Reports) or with metadata (prospectuses), plus a number of usual voluntary information (e.g. quarterly reporting...). The impacts of the initiative will be overall similar for all other sectors, including funds, intermediaries, auditors, etc. from the perspective of a new filing obligation for these stakeholders.

[167] Source: BR-AG. These include issuers of securities (including on SME Growth markets), large limited companies providing sustainability reporting (listed or not), SMEs (listed or not), insurance undertakings, credit institutions, funds and fund managers, investment firms, credit rating agencies, auditors, and market players such as central securities depositories (CSD), central clearing counterparties (CCP), and others.

The initiative seeks to **limit negative impacts (essentially compliance costs)** by building on existing national infrastructure and implementing a **file only once** policy. Nevertheless some additional costs are foreseen due to new obligations in regard to identification and ensuring the integrity of information and the credibility of the source.

On the other hand, the ESAP is expected to ensure more **visibility** and enable more **diversified sources of funding as well as a lower cost of capital** for companies.

7.2.1.4 SMEs

The fragmented European markets affect particularly access to finance by SMEs, which can in turn hamper their ability to expand beyond their own borders[168]. Integration from the angle of information will remove one of the components of this fragmentation.

The ESAP may impact European SMEs in direct and indirect ways, as data subjects (indirect data providers) and data users. Under the assumption that submitting or opting in to have voluntarily its data shared via ESAP is free of charge (to be decided later by the Commission), as data provider SMEs should not be faced with considerable negative impacts in terms of privileged access (only those who pay benefit) or additional costs for those who decide to submit via ESAP. The impacts on SMEs and their operations may include:

- need to provide specific datasets in a specified format (as may be required for interoperability and data sharing according to technology and format options for ESAP);
- need to educate on ESAP and the potential that it creates to keep pace with others on the market (other SMEs or companies in general);
- gain better visibility on the target markets when planning to internationalise, find investors or business partners;
- increase credibility among potential customers, partners, investors as well as credit and funding institutions;
- likely to reduce the amount of separate data requests from authorities, financing institutions, credit institutions (reduced reporting burdens with company data being available/shared via ESAP with such entities);
- better capability and awareness of SMEs to seize the opportunities offered in relation to sustainable finance.

According to the European Investment Bank, information and control problems are crucial for understanding the financing of firms. In comparison to large enterprises, information about SMEs is often more opaque (except for bankers or a limited number of parties). This makes the financing of SMEs especially challenging, since asymmetric information may create adverse selection and moral hazard problems[169]. Depending on the take up by SMEs, the ESAP could facilitate the findability[170] of relevant information including from SMEs, thus **reduce information asymmetry** in general, and thus tackle an important barrier to investment in this dimension. Finally, indirectly, the ESAP may promote digitisation, forward-looking and internationalisation-oriented approaches to their business growth plans by SMEs.

[168] EIB, Breaking Down Investment Barriers at Ground Level, 2016.
[169] EIB, Breaking Down Investment Barriers at Ground Level, 2016.
[170] Summary report - targeted consultation on ESAP. In addition: minutes to the e-workshops (Annex 11).

7.2.1.5 Costs

On the costs side (Annex 3), costs for the **interconnection** of the EU/national collection points with the ESAP are estimated to be around EUR 50 800 at individual level corresponding to maximum (depending on the number of collection points, ultimately) of EUR 3.1 million collectively (one-off). Annual recurring costs for **collection points** would be around EUR 6 500 at individual level i.e. maximum (depending on the number of collection points, ultimately) of EUR 0.4 million collectively. For data preparers in the scope of the ESAP, the annual recurring costs for filing, acquiring a legal entity identifier, the digital certificate and the signing tool are estimated up to EUR 800 at individual level and around EUR 121 million at EU collective level. This is higher bound as it includes by anticipation the acquisition costs for a legal entity identifier of the Global Legal Entity Identifier Foundation which would be decided later on by level 2 measure, and it considers as well that systematic upload fees would be charged by collection bodies. One-off costs for preparers (e.g. registration with a collection body) should be negligible. Entities outside the ESAP scope who wish to make their data available through ESAP on a voluntary basis would also incur costs but may benefit from reduced requirements enabling lower filing costs (to be decided on the basis of level 2 measures).

This initiative would not prescribe the ways in which collection points would adjust their existing funding sources, where necessary, due to ESAP. There are for instance no impediments for them to maintain or adapt existing schemes, such as public funding, upload or annual subscription fees, the provision of services, or other sources of revenues depending on their own situation. The Commission stands ready to support Member States in their efforts to provide capacity building and technical advice on how collection points implement their new obligations, including for harnessing voluntary information from SMEs and non-market participants[171].

In terms of **infrastructure and governance of the ESAP**, work must start as soon as possible in order to ensure a minimum viable product by 2024. Total costs over the 5 ½ period starting mid 2022 until 2027 (until the end of the current MFF) are estimated in the region of EUR 14.5 to 16.0 million, of which:

- Staff to govern the project and manage IT – 3 additional FTE in ESMA (alternatively EUR 3.0 million if Temporary Agents or EUR 1.6 million if Contract Agents[172]);

- Infrastructure development, maintenance, cloud and IT costs – procurement and investment by ESMA: EUR 12.9 million.

From 2028 onwards, recurring operating and maintenance costs should remain in the region of EUR 1.9 million per year plus EUR 0.6 million for the governing staff, i.e. around EUR 2.5 million per year.

[171] The Commission will provide this support through its Technical Support Instrument under Regulation (EU) 2021/240 of the European Parliament and of the Council of 10 February 2021 establishing a Technical Support Instrument, (OJ L 57, 18.2.2021).

[172] Both at constant 2021 prices and including, building and standard IT costs ('habillage') and an estimation for other administrative costs and assuming that the 2021 correction coefficient for Paris (120.5) applies throughout the period 2022-2027.

As regards **funding** the Commission the EU would support EUR 9.3 million under the current Multiannual Financial Framework (2002-2027). Until the adoption of the legislative package, i.e. over 2022 and 2023, the Digital Europe Programme[173] could be mobilised (subject to agreement) to cover 100% of the costs, i.e. an estimated EUR 5.0 million. Over the period 2024-2027, ESMA would be funded via the EU budget up to 40% of the remaining costs, representing EUR 4.3 million and NCAs would be solicited to fund EUR 6.7 million via their contribution to ESMA.

Many stakeholders in the targeted consultation[174] mentioned that they could accept to pay a fee to get easier access to information. To the question "*As a user, how large share of these costs do you expect to save through the use of ESAP*?" most stakeholders (out of those who responded to this question) replied "***more than 50%***"[175], consistent with previous consultation indicating between 25% to 75% overall reduction in access cost to regulated data over time, especially across borders[176]. Several small/retail investors expect only 20%-30% in cost reduction as they often (83%) get information rather on company websites (for free) than from data service providers (58%). The ESAP is expected in particular to reduce time (and therefore work force) allocated to searching, retrieving, translating (when needed) and formatting the publicly disclosed information. For large market players incurring the highest costs, it is estimated that **additional user fees paid for specific services proposed by the ESAP (e.g. based on frequency or volume) will be more than compensated by significantly reduced search and processing costs for most users**[177]. When consulted, some stakeholders also believed that digitalisation could benefit preparers in the long run, one pointing to a reduction of 7% to 15% in compliance costs due to streamlined chain of information production, assuming regulators avoid the multiplication of imposed machine readable formats.

7.2.2 Environmental impacts

With increased access to ESG information from companies offered for free (in combination with the CSRD proposal), the ESAP will support the Union's objective to mainstream sustainability into risk management in accordance with the EU climate and environmental objectives and the sustainable finance agenda and potentially channel more investments towards sustainable activities and projects, thus contributing to the sustainable finance strategy and the achievement of the Green Deal.

7.2.3 Social impacts

With easier access to ESG information, the ESAP would provide easier access to information about social aspects of large and listed companies' governance. This is likely to have a positive impact on employees' rights to information and consultation as provided for in Directive 2002/14/EC of the European Parliament and of the Council**2** and, by increasing knowledge of undertakings' activities, on the quality of the dialogue that takes place within undertakings.

[173] The operational modalities (e.g. initial procurement procedure by the Commission with involvement of ESMA, or Contribution Agreement to ESMA) would be determined taking into account practical constraints and the need to advance preparation of the system.
[174] Summary report - targeted consultation on ESAP. In addition: minutes to the e-workshops (Annex 4).
[175] Stakeholders answer to question 24 of the ESAP Targeted Consultation.
[176] Fitness check.
[177] Based on estimates provided by BR-AG.

7.2.4 Fundamental rights

On fundamental rights, including personal data protection and privacy, no impacts are identified as the ESAP will address information that must already be disclosed to the public pursuant to EU law or that entities would disclose voluntarily. Any personal data processing associated with the implementation of the ESAP will be done in full compliance with the Union legislation on data protection, including the General Data Protection Regulation 2016/679 (GDPR).

7.3 Implementation of preferred aggregated option via phased approach

In order to implement the preferred aggregated option a **phased approach** would be adopted. This would also be in line with the outcome of our consultation activities, where stakeholders showed a strong preference for a gradual implementation[178].

Possibilities for the phasing-in are examined in Annex 16.

7.4 REFIT (simplification and improved efficiency)

This initiative introduces new rules for a European Single Access Point. By streamlining disclosure channels, the ESAP will bring simplification and improved efficiency mainly on the demand side (users), with reduced search and processing costs, and to some extent to preparers in terms of filing obligations ("file only once" principle).

8 HOW WILL ACTUAL IMPACTS BE MONITORED AND EVALUATED?

The Commission will ensure that the actions selected in this IA contribute to the achievement of the policy objectives with a blend of specific monitoring elements designed to measure efficiency in implementation and progress towards specific objectives, but also, other monitoring tools contributing to the overall objectives.

Considering that the ESAP will be built progressively and with phasing in approach, a comprehensive evaluation could take place 5 years after the start of application of the rules, using monitoring tools developed in this section.

8.1 Monitoring the extent with which the specific objectives are met

The Commission services will explore ways to **monitor and evaluate the success of the ESAP project** towards specific objectives by using quantitative and/or qualitative key performance indicators (KPIs). It is noted that monitoring activities on sectoral legislation typically focus on the substance of respective initiatives rather than on data flows. Working with incomplete indicators from various pieces of legislation would bring little value to ESAP and it would be too granular to capture the full picture. Hence these are not specific enough and ESAP oriented to obtain meaningful information.

Meeting and measuring whether the specific objectives have been reached depends on a number of dimensions.

The following table presents examples of activities and related indicators that the ESAP governance body could implement and/or the Commission could use in order to monitor and evaluate ESAP success towards **meeting the *specific objectives***. These may have to

[178] The Report of the High Level Forum on the Capital Markets Union explicitly recommends a phased approach in the establishment of the ESAP. Moreover, 92% of the users participating to our workshops are in favour of a phased approach, as well as more than 90% of the participating OAMs/authorities.

be incrementally implemented, given the phasing in approach and time necessary to build a fully operational ESAP.

Table 6: Monitoring whether specific objectives are met

Specific objective to measure	Examples of Monitoring indicators	When will monitoring start	By whom How Indicative target	Source of information
Enabling seamless and integrated access to data published by entities / increased circulation of information	Number of visitors /searches	Yearly once the minimum viable product stage is reached (starting 2024)	ESAP governing body Quantitative Indicators: number of searches, percentage of searches that trigger a view or a download, etc. Indicative targets at final stage: 500 thousand unique IPs accessing the ESAP in a year 500 million searches per year (including automated) % of view/search >50% % of download/search >5%	ESAP IT systems.
	Evolution of visitors/searches	Yearly once the minimum viable product stage is reached (starting 2024) until project is mature (by 2028)	ESAP governing body Quantitative Positive change in % of visitors and searches versus previous year	ESAP IT systems.
	End-user satisfaction and benchmarking	One off by the date of evaluation intended by the legislation, or possibly on a regular basis	Commission and/or ESAP governing body Survey of stakeholders involved in the ESAP, including users, preparers, etc. Benchmarking against main third country markets. Report with qualitative and/or quantitative considerations, including possibly: Statistics of overall user satisfaction (target: >75%) Assessment of voluntary filing and use.. Assessment of the evolution of cross border flows of information (at least qualitatively from the user perspective).	Targeted (online) survey (or study)
	Data quality at entry point	Yearly after 2026	ESAP governing body Quantitative, including: Proportion of rejections due to validation	ESAP collection points and ESAP (Helpdesk

			checks and system malfunctioning Indicative target: less than 5% at initial stage less than 1% at final stage	and IT systems)
Facilitate digital use (and re-use) of data	Percentage of machine readable information available from ESAP	Yearly or biannually after 2026	ESAP governing body Quantitative, including: Statistics based on % of total scope, including: % and evolution of views or downloads of machine readable information, % of data extractable formats available Indicative targets: >50 % machine readable by 2030 + increasing views or use of such information 100% of data extractable formats by 2028	Internal survey on data formats available, inventory of legislation

It is difficult to provide quantitiative or qualitative baseline underpininng the above targets and evolution. due to the following:

- The ESAP, as a European access point will come on top of national or EU existing registers which will continue to offer access to regional or sectoral information. Hence, the ESAP will capture part of the queries currently in the baseline, however unlikely all of them. In addition, the scope of the ESAP is broader than the current scope of information collected by repositories, with most access statistics for this additional scope being held (if any) by each individual company.
- The OAMs, the NCAs and ESAs currently don't have detailed statistics on the access or usage of information in the way intended in this monitoring section. During interviews, there were generally limited information provided on users, let alone their nationality and cross border flows of information. Based on interviews of the OAMs, it nevertheless appears that the visibility and usability of information available from OAMs depends to some extent on the business model chosen in each Member State: private OAMs (stock exchanges, private entities) but also certain OAMs operating in well developed markets attract more visitors than other OAMs. This is in several cases related to other parallel activities offered within the OAMs organizational structure (e.g. business registers) or a strategic orientation towards data. Hence beyond not being measured precisely, the circulation of data may also vary quite significantly depending on circumstances.
- Even though increasing cross border flows of data is part of the objectives, there is no other measurement than the limited qualitative or anecdotal information obtained during consultation. Likewise, this criteria is not retained as a quantitative basis of monitoring as flows to and from an EU central access point will necessary span all the Member States, making it difficult to identify cross border use from a single access point. Hence this is retained as part of a more qualitative survey.

- Some of the quantitative targeted measures have been determined on the basis of benchmarks, for instance from third country markets, and as such can only be indicative.

In terms of **benchmarking** (access and usability), the approach that should be followed is to compare ESAP with similar international projects applied in well developed markets and especially with the US EDGAR and the Japanese EDINET. Smaller markets have also developed similar projects like the Canadian SEDAR. Numbers probably depend to a great extent on the Market size and attractiveness, but also on the international profile of the market and the accessibilty of information in terms of language (although EDINET's user interface is very friendly and provided in English language most of documents are in japanese language which restricts the interested audience at almost national level).

8.2 Other sources of monitoring

Monitoring progress towards meeting the *general objectives* is by definition considerably more complex, since it is methodologically difficult to distinguish the impacts of the intervention from other possible causes. The Commission publishes a list of indicators to monitor progress towards the CMU objectives[179], the ESAP being now one of the contributing actions.

In addition, as part of the third priority area of the Digital Finance Strategy[180] to promote data-driven innovation in finance, the Commission has set up an expert group to provide advice on the technical aspects of establishing a common financial data space[181]. ESAP is expected to be an important element of the financial data space and, depending on the duration of the group, it could provide valuable feedback on the project and alignment with the European data strategy and related initiatives.In addition, as part of the third priority area of the Digital Finance Strategy to promote data-driven innovation in finance, the Commission has set up an expert group to provide advice on the technical aspects of establishing a common financial data space. ESAP is expected to be an important element of the financial data space and, depending on the duration of the group, it could provide valuable feedback on the project and alignment with the European data strategy and related initiatives.

[179] European Commission, June 2021 - The Commission publishes a list of indicators to monitor progress towards the CMU objectives | European Commission (europa.eu).
[180] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52020DC0591&from=EN
[181] Expert group on European financial data space (E03763).

ANNEX 1: PROCEDURAL INFORMATION

Lead DG, Decide Planning/CWP references

This Impact Assessment Report was prepared by Directorate C " Financial Markets " of the Directorate General "Directorate-General for Financial Stability, Financial Services and Capital Markets Union" (DG FISMA).

The DECIDE Planning reference of the "EU single access point for financial and non-financial information publicly disclosed by companies" is PLAN/2020/9145.

Organisation and timing

Four Inter-Service Steering Group (ISSG) meetings, consisting of representatives from various Directorates-General of the Commission, were held in 2020 and 2021 during the preparattion stage of this impact assessment.

The first meeting took place on 26.11.2020, attended by DG FISMA, BUDG, ECFIN, ENV, ESTAT, GROW, , JUST, REFORM, RTD, JRC, Commission Legal service and the Secretariat General (SG).

The second meeting was held on 4 May 2021, attended by DG FISMA, GROW, ECFIN, ENV, JUST, CLIMA, ESTAT, EISMEA, the JRC, and the Secretariat General (SG).

The third meeting was held on 28.5.2021. Representatives from DG CLIMA, JRC, GROW, ECFIN, ENV, JUST, ESTAT, EISMEA, DIGITand the Secretariat General (SG) were present.

The fourth meeting was held on 17.6.2021 and was attended by DG CLIMA, REFORM, BUDG, JUST, GROW, CNECT, ESTAT, ENV and the Secretariat General (SG). This was the last meeting of the ISSG before the submission to the Regulatory Scrutiny Board on 23 June 2021.

All the meetings were chaired by the Secretariat General.

DG FISMA has considered the comments made by DGs in the intermediate and final version of the IA.

Consultation of the Regulatory Scrutiny Board

The Impact Assessment accompanying this proposal was examined by the Regulatory Scrutiny Board on 22 July 2021. The Board gave a positive opinion with comments. These are addressed as follows by the Commission in the final version of the Impact Assessment:

Issue identified by the Board	Action taken
(1) The report should further explain and justify the rationale for this initiative. It should demonstrate the problems more convincingly, basing them on the needs reported by the stakeholders and link them clearly to the solutions proposed by the ESAP. In doing so, the report should better distinguish the various types of stakeholders and their respective needs. It should be clear how the different stakeholders,	In order to address the issue indentified by the Board, the document has been revised as follows: Section 2 – Problem definition has been revised so as to report problems by types of users, where relevant, and having better regard to needs reported by stakeholders. Section 5 on available policy options has been revised to include clearer links between solutions proposed and problems reported, with a better

including data aggregators, could benefit from the ESAP, albeit in a different way. This analysis should include aspects pertaining to competition or complementarities between the services offered by data vendors and aggregators, and the ESAP.	alignment with section 2 and references to consultation. Section 7.2 integrates further analysis of the benefits and impacts of the ESAP on data aggregators, and makes a clearer distinction of impacts by type of user, including from the competition angle and complementarities between the services offered by data aggregators and the ESAP.
(2) Interactions with the existing databases, in particular the Business Registers Interconnection System (BRIS), should be better explained, showing the complementarities and the overlaps. The report should also discuss in more depth why it discards solutions based on an integrated or interlinked approach to the ESAP and BRIS and why complying fully with the 'once only' principle seems not possible.	The interaction with the Business Registers Interconnection System (BRIS) has been clarified from two angles, showing complementaries and overlaps but also risks and difficulties: (1) In section 5.1 on the Baseline, a dicussion on the BRIS' role and contribution in the baseline scenario was introduced; (2) In section 5.2.5 on options for the governance of the ESAP, the prospects of integrating BRIS and the ESAP are examined. As regards the "file only once principle", section 7 of Annex 14, as well as section 7.1 - Preferred options, have been revised to provide further and clearer explanations as regards the boundaries of a 'file only once' in terms of collection points envisaged for the ESAP initiative – with a particular focus and explanations provided on Business registers.
(3) The report should better explain why it does not include an option on harmonising data formats simultaneously with the possible future harmonisation and rationalisation of reporting requirements, which could help to limit the scope of the ESAP initiative and its costs. In this context, the staged approach of the ESAP could be better accentuated under the analysis of options.	In order to better address the key issue of semantic interoperability, and the limits of the ESAP initiative in this regard, several modification were made in the impact assessment: (1) Section 2.2.6 – Drivers out of scope, now includes material from the angle of semantic interoperability to better explain why the initiative does not include an option on harmonising data formats simulatneously with the possible future harmonisation and rationalilisation of reporting requirements, having regard in particular to ongoing initiatives on the development of a common data dictionary; (2) Section 5.2.2 Options for the format, was beefed up to include considerations in relation to comparability, data structuring and machine readability, that have to do with the content and semantic approach inherent to each sectoral legislation. These aspects are also exmained in relation to the objectives of this initiative. Further material was added to better explain and support the staged approach on options, as follows: (1) Additional text where relevant in sections

	5 and 6; (2) A graphic vision of the options on scope and phasing was added in section 6.1.4; (3) A clearer and more complete vision of the phasing in from relevant dimensions (scope, formats, interconnections, Commission decisions) is provided in Annex 16, with a cross reference in section 7.1.
(4) The report should strengthen and complete the analysis of impacts. It should discuss all relevant impacts, at least qualitatively, within the main report, including impacts on SMEs and indirect impacts on the single market. As many aspects of the initiative are likely to be finalised via implementing legislation, the report should be clearer about these, while keeping some of the possible costs indications (e.g. related to the legal entity identifier).	The analysis of impacts has been stenghtened as follows: Section 7.2 – impacts of the preferred options now contains 4 main sections to analyse the impacts from the economic, environmental, social and fundamental rights perspective. The analysis of economic impacts in section 7.2.1 has been segmented in sub-sections to further consider impacts from the competitiveness, users, preparers, SMEs and costs perspectives. In particular, section 7.2.1.1. has been revised to include qualitative considerations on the indirect impacts of the initiative on the single market. Explanations were added as regards the approach and impacts in relation to level 2 measures, especially in section 7.1 – Preferred options, section 7.2 – Impacts, Annex 3 – Costs and Annex 18 – Legal Entity Identifier.
(5) The comparison of options should better explain to what extent and how all stakeholders will benefit from the same ESAP. The report could further discuss why opting, in most cases for the sub-options with the full coverage is indeed the best in terms of meeting stakeholders' needs while incurring only marginally higher costs.	The typology of users has been improved and streamlined (Annex 6 – Users), so as to provide a better vision on different types of users, and their respective needs. Building on this typology, the main body of the impact assessment has been streamlined to better consider the problems (section 2), better consider the benefits of options for different types of users (section 6) and to better present the impacts per main types of users (section 7). In addition, section 6.1 has been revised to include considerations on why opting, in most cases for the sub-options with the full coverage is indeed the best in terms of meeting stakeholders' needs while incurring only marginally higher costs.
Some more technical comments have been sent directly to the author DG	The additional technical comments provided have been addressed throughout the impact assessment.

Evidence, sources and quality

The impact assessment draws on an extensive amount of desk research, external studies, studies carried out on behalf of the Commission, interviews, experts' workshops, meetings with stakeholders, targeted public consultations, staff working documents,

opinions and advice by the supervising authorities, academic research papers and other. This material includes but is not limited to the following:

- A targeted online consulation exposed from 20 January 2021 until 12 March 2021, with 27 questions addressing generalities, scope, usability and accessibility, Infrastructure and data governance, SMEs and non-listed entities, costs and benefits. A total 154 organisations and individuals responded to the consultation.
- 7 workshops held in Q1 2021 with stakeholders stratified so as to get views of homogeneous populations including: regulators/authorities, users, preparers, non-listed entities/SMEs Official Appointed Mechanisms (OAMs), stakeholders with vested interest. The final workshop was attended by a blend of these stakeholders.
- Feedback received in January 2021 on the Inception Impact Assessment on ESAP.
- Input from relevant Expert Groups set up by the Commission (2019-21). The reports of the following groups were considered as is: High Level Forum on the CMU, Technical expert stakeholder group on SMEs (TESG), Expert Group on Regulatory Obstacles to Financial Innovation (*ROFIEG*). The staff engaged in addition directly with the Expert Group of the European Securities Committee (EGESC) and the Financial Services User Group (FSUG).
- Bilateral meetings in 2020 and 2021 with certain private entities, data vendors, industry associations, international and European NGOs or foundations, a number of Officially Appointed Mechanisms, EU authorities in the financial services and capital markets, US SEC, governments, etc.
- Input and advice provided in Q2 2021 by an ad hoc external contractor, BR-AG who performed desk research, targeted e-surveys, and virtual interviews with key stakeholders to assist the Commission in collecting evidence, obtain analysis, and cost estimates.
- Commission studies, staff working documents or reports since 2010:
    - Study on the "Regulatory framework analysis for potential integration into the European Electronic Access Point (EEAP)"
    - Study on the "Governance for a DLT / Blockchain enabled European Electronic Access Point (EEAP)"
    - Study on the Open Data Directive – to be published
- Data available from desktop research (Find-eR, web, press...)

List of resources

Resources	Information/Summary
Study on the impact of digitalisation on the EU single market for consumer financial services	This study on digitalisation of consumer financial services focuses on to what extent technology and innovation can contribute to the creation of a true single market for retail financial services and non-life insurance.
Study on options for development of online tools and services supporting retail investors in investment decisions	Capital Market Union aimed at invigorating the participation of retail investors in the financing of the economy together with other policy objectives. However, EU citizens still face difficulties when planning to invest in financial products (e.g. investment fund,

	life insurance or private pension product), that meet their life needs and expectations. Despite all efforts and documentation, gathering independent and comparable information on product features is still perceived as a challenge for most investors. From the entire universe of potential aids to investing, the one most efficient would be to focus on the ways to provide a practical solution to increase transparency and comparability of retail financial products, that could be accelerated with the creation of an investor products hub (i.e. a database), containing complete, correct and independent information about all managed financial products available across EU capital markets. To be most efficient, that investor product hub should rely on existing information and recycle it where and if possible. At a high-level, the database would be operated by a single public body and accessible for free by retail investors as well as financial professionals and academics, the latter for research purposes. This report proposes a description of existing product disclosure platforms, it further describes high level technical and functional requirements for the creation of the hub, including a high level implementation roadmap as well as regulatory amendments that should be envisaged to facilitate the development of the tool. If feasible, the scope and depth of coverage of this retail investor products hub represent challenges both in terms of creation and maintenance. Nevertheless, it has the potential to materially increase retail investors' level of information on financial products available to them whilst limiting legal and regulatory hurdles
Study on the non-financial reporting directive	This is the final report of the "Study on the Non-Financial Reporting Directive" for the Directorate-General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA). This report provides data analysis as part of the ongoing monitoring of implementation of the Non-Financial Reporting Directive (NFRD). For this exercise, the study analysed data on more than 17 million, gathered survey responses from more than 200 companies and conducted interviews with over 60 stakeholders. Among the main findings is that there are about 2 000 companies (excluding exempted subsidiaries) in the EU27 within the scope of the NFRD. In practice, there are approximately 10 000 additional companies

	(excluding exempted subsidiaries) that are obliged to prepare nonfinancial statements based on broader transposition of the Accounting Directive and NFRD into national legislation. There are a further estimated 9 000 other public interest entities (PIEs) and large non-PIEs reporting without a legal requirement. The recurring administrative costs for providing non-financial statements under the NFRD are on average EUR 82 000 per year, of which about 40% can be fully attributed to the legal requirements. These costs depend, among others, on company size and sector as well as assurance level, comprehensiveness and type of reporting. In addition, about two-thirds of the surveyed companies incur assurance costs, which amount to EUR 76 000 per year on average.
Consumer testing study - Key information document under the PRIIPs framework	The general objective of this project was to test the effectiveness of presented information to retail investors within the PRIIPs framework. An online consumer testing with over 7500 participants in 5 EU countries was conducted using: 10 different versions for presenting performance scenarios and past performance information in the PRIIPs Key Information Document, and covering 11 different products The overall aim is that the information provided should be well understood by retail investors and allow them to compare and select among different investment products.
Study on supply chain finance	This study on Supply Chain Finance (SCF) provides an in-depth analysis of the current state and recent developments in the area of supply chain finance at EU level and within the Member States. The specific objectives are to: 1.Provide an overview of the Supply Chain Finance market at EU level and in each Member State; 2.Understand the applicable regulatory environment impacting SCF activities; 3.Map existing barriers of regulatory and market nature that hinder growth and the cross-border expansion of SCF within the EU; and 4.Compile public or private best practices capable of facilitating growth and the cross-border expansion of SCF activities, in particular building on experiences in Member States where FinTech-enabled solutions are well-developed.
Study on the distribution systems of retail investment products	Making markets work better for retail investors is one of the key objectives of the Capital markets union action plan. A study carried out by Deloitte Luxembourg for the European Commission shows the difficulties

	that consumers in the EU face when trying to buy the most suitable investment fund, life insurance or private pension: > retail investors have access to a wide range of products through various distribution channels but face huge challenges in collecting information, comparing data or getting independent advice on the different products on offer > the costs for similar product categories vary strongly across EU countries > in most EU countries, investors seek advice mainly from non-independent advisors (i.e. banks and insurers) who tend to propose between two and three in-house products > the potential for new distribution models based on FinTech is promising but needs still to be monitored carefully. Recent EU legislation (in particular the MiFID II, PRIIPs and Insurance distribution directives) should improve the functioning of the markets for retail investors.
Study on EU markets for private placements	The study shows that private placement of debt instruments with institutional investors could play a greater role in financing medium-sized companies in the future and highlights a considerable growth potential for private placements in the EU due to new domestic markets and increased cross-border activities.
Final report of the Expert Group on Regulatory Obstacles to Financial Innovation: 30 recommendations on regulation, innovation and finance	On 13 December 2019 the Expert Group on Regulatory Obstacles to Financial Innovation (ROFIEG), set up by the European Commission in June 2018, published its recommendations on how to create an accommodative framework for technology-enabled provision of financial services ('FinTech'). The group's 30 recommendations are pertaining to the innovative use of technology in finance, maintaining a level playing field, access to data, and the financial inclusion and ethical use of data.
Reports on development of EU sustainability reporting standards	These reports, which were prepared at the request of the Commission following an invitation from the Economic and Financial Affairs Council, are an important step in the development of corporate sustainability reporting across the EU. Both reports recognise the importance of coordinating the development of EU sustainability reporting standards with existing and emerging global initiatives. EU sustainability standards are necessary to meet the political ambition and urgent timetable of the European Green Deal. They are also necessary to ensure consistency of reporting

	rules at the heart of the EU's sustainable finance agenda , especially the existing Sustainable Finance Disclosure Regulation, the Non-Financial Reporting Directive (NFRD), the Taxonomy Regulation, as well as with the requirements of forthcoming legislation on sustainable corporate governance and due diligence. The first report proposes a roadmap for the development of a comprehensive set of EU sustainability reporting standards. It was prepared by a multi-stakeholder task force established by the European Financial Reporting Advisory Group (EFRAG). A second report proposes reforms to EFRAG's governance structure to ensure that future EU sustainability reporting standards are developed using an inclusive and rigorous process. It sets out, for example, how national and European authorities will be involved, while ensuring that the process also draws upon the expertise of the private sector and civil society.

- Recent Open Public Consultations of relevance for the ESAP:
  - Open public consultation on the Fitness check on the EU framework for public reporting by companies (21 March 2018 - 31 July 2018);
  - Open public consultation on the European Strategy for Data (20 February 2020 - 3 June 2020);
  - Open public consultation on Non-financial reporting by large companies (20 February 2020 - 11 June 2020);
  - Open public consultation on a new digital finance strategy for Europe / FinTech action plan (3 April 2020 - 26 June 2020);
  - Stakeholder consultation on the Renewed sustainable finance strategy (8 April 2020 - 15 July 2020);
  - Open public consultation on the CMU High Level Forum final report (10 June 2020 - 30 June 2020).

The material gathered and used to feed this impact assessment was generally factual or otherwise coming from reputable and well-recognised sources that act as benchmarks and reference points for the topic. Input received from stakeholders during the consultation activities was generally treated as opinions, unless of factual nature.

As highlighted in the Consultation strategy, the objective of the consultation activities is to gather data evidence and stakeholder views for the development of the European Single Access Point.
Specifically, the targeted consultation aimed to:
- Get the views of stakeholders on the legislative scope for data, governance, data collection, ESAP functionalities, and legal framework;
- Collect evidence and views to better assess the impacts, costs, and benefits of different policy options.
- Gather additional knowledge on certain specific topics, such as technological developments and governance models that may be advantageous in developing such projects; the particular situation of SMEs; and the digitalisation of information.

This annex is structured in 2 main chapters:

"Chapter I – Consultation activities and sources of information" presents the methodologies that the services of the European Commission have used to build this consultation strategy, including open public targeted consultation, e-workshops, on-line targeted surveys, e-meetings, virtual interviews and previous open consultations. At the same time, identifies the main stakeholders' groups that have been consulted during these activities.

"Chapter II – Output of the consultation activities" analyses the results of the consultation activities by the five main dimensions of the policy options as they are defined in the impact assessment: scope, standardisation, information collection infrastructure, open data and access fees, and governance. In parallel, if the views of different stakeholder groups on the same topic substantially differentiate, they will be analysed and presented.

CHAPTER I - CONSULTATION ACTIVITIES AND SOURCES OF INFORMATION

I. Stakeholder groups related with the consultation activities

According with the ESAP consultation strategy, the related stakeholder groups are:

- **Preparers** of information
  The entities that already publish financial or non-financial information or that may do so in the future. SMEs are also relevant stakeholders?
- **Users** of information published by entities comprise two major groups:
  a. **Financial sector institutions and investors**, who require such information to assess the related financial risks and opportunities
  b. **Civil society individuals, organisations, and trade unions** who require such information to monitor the social and environmental performance of entities and hold them accountable for their impacts
- **Authorities** at European or Member State level in two main groups:
  a. **Providers:** Authorities that will be part of the reporting network that ESAP would establish by either providing information, like Official Appointed Mechanisms (OAMs), National Competent Authorities

(NCAs), European Supervisory Authorities (ESAs) or by providing services in the deployment of the infrastructure (DIGIT, CNECT, etc.)

b. **Regulators/Supervisors**: Those authorities that would provide with the appropriate legislative framework for ESAP (FISMA, ESMA, etc.) but also those ones that would potentially benefit from such infrastructure to better perform their duties (supervisory monitoring and compliance, data statistics, etc.)

- **Stakeholders with vested interest**:
  This group includes assurance providers, credit rating agencies, research and data providers, reporting frameworks and standard-setters, academics and researchers, and other policy makers.

It is important to notice that, in many cases financial sector participants, especially banks and insurance entities, have activities in which they act as both users and preparers of financial and non-financial information.
During the consultation period, we invited all of the above-mentioned stakeholder groups and in different activities to contribute and provide relevant input for the establishment of the ESAP.

II. Consultation activities and other information sources

The services of the European Commission have used a wide range of methodologies to build this consultation strategy, including open public targeted consultation, e-workshops, on-line targeted surveys, e-meetings, and virtual interviews. In particular, DG FISMA employed the following activities:

- The Commission services published an **Inception Impact Assessment** on ESAP 18 December 2020 with a deadline for **feedback from stakeholders** by 15 January 2021. In total, 28 stakeholders have provided their feedback. The majority of respondents were entities and business associations, representing 68 % (19) of the responses. Around 84 % (16) of these are from the financial sector (including insurance) and 16 % (3) from the non-financial sector. Other respondents were NGOs 14 % (4), environmental organisations 4 % (1), public authorities 7 % (2), private entities 4 % (1) and EU citizens 4 %(1).
  (Summary available in section 3)

- **Open online public targeted consultation** (the Summary report - targeted consultation on ESAP is available online): The consultation was published on 20 January 2021 and responses were accepted until 12 March 2021. A total 154 organisations and individuals responded to the consultation, mainly originated from EU Members States (90%) with a well-developed Market (Belgium 24%, Germany 18%, France 12%, the Netherlands 9% and Italy 8%). These were mainly businesses or their representatives (63%). NGOs' participation was also significant (11%) together with public authorities (7%). The typology of respondents included:
  - Pure preparers meaning entities, businesses, and their associations (7%)
  - Pure users including entities and business associations in the banking, financial and insurance sectors, issuers, investment firms, market infrastructure and other sectors (28%),
  - EU and national registers and regulators (5%), and other stakeholders (23%) including accounting business, standard setters, non-European businesses, public sector, chambers of commerce.

- There were also respondents that were preparers and users at the same time (preparer-users) (36%).

The consultation consisted of 27 questions divided into 6 main sections:

- General questions
- The scope of ESAP
- The usability and accessibility
- Infrastructure and data governance
- Targeted questions regarding entities with no access to capital markets
- Costs and benefits

- The Commission contracted an **external consultant** (BR-AG) to carry over specific activities including **desk research, targeted e-surveys, and virtual interviews with key stakeholders** aiming to assist the commission in collecting evidence, providing analysis, and cost estimates. The evidence collected from these activities were focused on the current reporting practices (with a special focus on SMEs), the scope of information and standardization, the infrastructure and governance models, the cost and benefits, and the implementation roadmap for the European Single Access Point.
- The Commission's services organised **virtual workshops and meetings** to gather views, knowledge and data on specific issues, and to gather the views of different stakeholder groups in more detail. During these activities, stakeholders had the chance to reply to short-targeted surveys. With their replies, Commission had an opportunity to go into greater depth on particular points and to exchange and compare viewpoints in a dynamic setting.
  - A virtual workshop with **stakeholders with vested interest** was held on 2 February 2021 with the participation of 14 representatives (standard setters, international organizations, academics, Auditors, investors)
  - A virtual workshop with **EU and national regulators and authorities** was held on 10 February 2021 with more than 50 representatives from European Supervisory Authorities, Commission Services, and participants from the almost all of the National Competent Authorities.
  - A virtual workshop with **users** was held on 23 February 2021 with the participation of more than 30 representatives (international organizations, investors, data services providers, fund operators, credit rating agencies)
  - A virtual workshop with **preparers** was held on 2 March 2021. More than 25 representatives of issuers (bank and insurance organizations, market operators, business and SMEs associations, fund operators) had the opportunity to express their views.
  - A virtual workshop with more than 25 participants representing **non-listed entities including SMEs** was held on 9 March 2021 mainly to gather views and concerns coming from smaller businesses seeking for funding.
  - A virtual workshop dedicated in gathering views from the **Official Appointed Mechanisms** (OAMs) was held on 11 March 2021. More than 20 member states were represented in order to express their opinions on ESAP.
  - A virtual **wrap-up** workshop was held on 27 April 2021 with more than 50 participants representing **all groups of stakeholders** from the previous six workshops. This workshop aimed first, to discuss the outcomes of the targeted consultation with the stakeholder groups and second, present to

them and have their views on a proposal prepared by an external contractor (BR-AG) on the ESAP implementation options.

- **Bilateral virtual meetings** were organised between the Commission services (in co-operation with an external contractor, BR-AG) and:
  - The **OAMs** of Denmark, Latvia, Germany, Ireland and Luxemburg to gather vies, information and data on the current practices information is gathered and published and the ESAP implementation options.
  - Representatives from the US Securities and Exchange Commission to exchange views and share their experiences gathered from the implementation of the **EDGAR** reporting system.
- A virtual meeting was held on 16 March 2021 with the **Expert Group of the European Securities Committee** (EGESC) and with the **Financial Services User Group (FSUG)** on 23 April 2021.

The outcomes from the virtual workshops with stakeholders' groups and the main points from bilateral discussions with individual stakeholders or organizations are available in Annex 4.

- **Previous consultations** results with a relevance to ESAP:
  - The EU framework for public reporting by companies (Fitness check March-July 2018)
  - The European Strategy for Data (February-June 2020)
  - The Non-financial reporting by large companies (February-June 2020)
  - The new digital finance strategy for Europe / FinTech action plan (April-June 2020)
  - The Renewed sustainable finance strategy (April-July 2020)
  - The Capital Markets Union High Level Forum Final Report (June 2020)

CHAPTER II – OUTPUT OF THE CONSULTATION ACTIVITIES

The first section of this chapter analyses the results by the five main dimensions of the policy options as they are defined in the impact assessment: scope, standardisation, information collection infrastructure, open data and access fees, and governance. In parallel, if the views of different stakeholder groups from all consultation activities on the same topic substantially differentiate, they will be analysed and presented.
In the second section, focus will be given in other specific technical/non-core aspects of the policy options, including functionalities and voluntary disclosures and to key points, which emerged during all consultation activities.
Finally, section three presents a summary of the feedback received by stakeholders on the inception impact assessment.

Section 1: Analysis of results – The 5 main dimensions of the policy options

A. Information (scope angle)

In general, **all consulted stakeholder groups** welcomed the Commission's initiative on the European Single Access Point and expressed their support on such intervention that would be based on a phased-in implementation to prioritize and make available the information on ESAP in different stages (phases). At the same time, the **vast majority** emphasized on the need that the file once principle should be respected and **several**

preparers and SMEs underlined that there should be no additional burdens and new reporting obligations introduced for entities.

The **majority of the stakeholders** support a broad scope of information to be included in ESAP covering both financial and non-financial information. Thirty-three (33) different legislative domains were examined in the targeted consultation in relation to their importance for the stakeholders and the need of being in scope. There were ten (10) of these domains that gathered the support of the majority of the respondents (>50%), but only four (4) of them that had the same broader support in terms of prioritization. According to the **respondents' majority** high priority should be given to key financial information under Transparency and Accounting directives and key sustainability-related information under NFRD/CSRD and Sustainability-related disclosures/EU Taxonomy.

Stakeholders' **views by group do not diverge significantly** on the scope of information **but users and stakeholders with vested interest** support stronger the inclusion of all types of information than preparers. A deeper analysis focused on users replies, shows that there is a stronger support for a broader scope of information from those representing civil society (NGOs, researchers, trade unions) and retail and small investors (consumer or professional associations representing retail investors and individual consumers), while large investors (institutional investors, banks, insurance companies, funds and consumer or professional associations representing them) and data service providers are focusing more on the importance the information has to them than the broader scope.

Some of the preparers expressed the opinion that ESAP should focus only in key information and sustainability-related information and information that is not of high importance for the investors should be out of scope or have a lower priority. **The OAMs** did not expressed any objection on collecting additional information but some of them noticed that today they are not legally authorised to do so. **Authorities and preparers** would prefer to see financial information in the first phase **while NGOs and social/environmental organizations and initiatives** raised the importance of having as soon as possible, free access to as much as possible ESG information in order to assess and address ESG-related issues. **Users** expressed the need to have access to both key financial and key sustainability-related information at an early phase.

Although focus should be given to entity-related information, **several stakeholders mainly retail investors and users of ESG-related information** raised the need for product-related information.

On the same topic, **stakeholders participated in previous consultations**, strongly support to create a single access point for both financial and non-financial reporting data with a focus on financial reporting data, ESG, NFRD, Taxonomy, Green Deal data, SME data, AML, tax, cyber incidents and company ownership.

In addition, they believe that the main benefits from a single access point will be: a single market for data, support innovation and competition, improve the analysis, comparability and decision-making and to fundamentally change the way business is conducted. **Many of them** state that digitalisation enables users to apply big data or artificial intelligence tools to address increasingly extensive and complex data and potentially would allow to avoid overlapping requests by users. Still there are risks to be addressed like: monopolies, having digitalisation driving the standard setting may entail poorer or misleading information, standards can stifle innovation, cybersecurity, Big Techs.

B. Machine readability (scope angle)

The **vast majority of stakeholders** believe that the standardization of information under a reporting framework with common schemes and metadata would be useful to address the challenges regarding comparability, reliability, and reusability of information. They

also mentioned that the absence of such common standards is one of the main barriers users and society face when they process financial and ESG-related information.
It was also a **common belief** that information should be not only human but also machine-readable and ESAP should build on that direction with a careful phased-in approach to ensure data quality and comparability.
Preparers stressed that reporting under specific standards could potentially make more information publicly available and reusable and this could reduce the burden of replying to several requests they receive for information (credit rating entities, data providers, investors). Together with **SMEs, preparers** focus on the costs that an extensive use of machine-readable formats could add a problem that could be addressed by allowing different digital formats depending on the information content.
While **for preparers**, machine-readability should be a priority for key financial information in the initial phase to address investors' needs, **for users and those entities that are preparers and users at the same time**, sustainability-related information should also be prioritized and be machine-readable in an early phase. This would allow them to not only make a sustainable investment decision but also assist them in fulfilling their sustainability-related reporting obligations.
Regulators and national authorities focus more on applying to a greater extent machine-readability to financial information than to the sustainability-related.
SMEs were very sceptical in the idea of reporting under extensive standards (similar to the ones that are used for larger listed entities) and they propose a lighter version of reporting to reduce the costs of standardization for small-medium entities.
Many of the stakeholders supported that the European Single Electronic Format (ESEF), based on xHTML and XBRL technologies, is suitable to some or a great extend for machine-readability given the fact that is already adopted and applicable from 2022 for the annual financial statements. There were though **some of the preparers and national authorities** that raised questions on the suitability of the ESEF format when information is more narrative and less quantitative. Among other popular formats, we see XML and CSV. Some preparers mentioned that PDFs should be acceptable by ESAP, although they recognize that this format is not a suitable format for machine-readability. JSON format and RDF were some of the other formats recommended **by a few stakeholders (mainly users)**.
The **majority of users** from previous consultations think that regarding reported data under NFRD lacks comparability, reliability and relevance (since NFRD does not include standards for the information disclosed by companies) and the options for Member States in certain areas, notably for the Transparency Directive, hampers the quality and comparability of information. It is also made clear that there is difficulty of enabling the machine readability of information when it is of qualitative or narrative nature. In that sense **many stakeholders** support that the conditions to make data usable are: standard machine readability format (CSV, XML, JSON, XSLX, XBRL, iXBRL, ESEF), tagging on the base of reporting standards, sector-specific KPIs, use of APIs, real-time access, package of GRI (Global Reporting Initiative) taxonomy and iXBRL tagging. Although the importance of machine readability is mentioned in several past consultations, **many of the respondents** believe that costs of introducing tagging of non-financial information would be proportionate to the benefits, but **a number of respondents from business** propose less tagging requirements for SMEs to avoid disproportionate costs. **Some** suggest to make machine readability voluntary for SMEs, to restrict machine readability to only a 'core' subset of data reported, e.g. key information or metrics, and use IT standards other than ESEF. The **majority of respondents** to the fitness check consultation did not support extending electronic data structuring to all (including non-listed) entities' financial statements in the EU, even less so to management reports and

other reporting, as this would be a non-proportionate measure leading to unnecessary standardisation and compliance costs.

C. Information collection infrastructure

On the infrastructure dimension and in relation to the ways that ESAP should collect the information **all stakeholders** have in general same views. ESAP should build on the existing national or European reporting channels and focus in respecting the file once principle and on not creating additional burden or unnecessary costs. In addition, the importance of a European single access point would be greatly diminished if information is not available through ESAP at the same time that is publish in any other mean or channel. Among users, the majority of data services providers fully agree with the statement that timeliness is the most important element of the information.

Today more than half of the information that EU legislation requires entities to publish is available on the entities' website and according to the **vast majority of stakeholders**, this is an important barrier to access and use that information. Although the **majority of all stakeholders** support that this information should be available at the same time through ESAP **several national authorities** are raising concerns if their role should be expanded in order to collect them through an official and interconnected channel with ESAP. The main objections are related to the fact that there is not a legal requirement to collect that information and to potential additional operational and infrastructure costs that this would mean for their organization. At the same time, there are **other authorities** that they see an opportunity for them to develop new services and expand their operations by receiving more information.

D. Open data and access fees

All stakeholder groups (including those that participated in previous consultations) support that ESAP should offer free access to information and information should be available without any payment required. Although that the open data/free access model was strongly recommended there were **some stakeholders** that supported the idea that issuers (when submitting the information) or in general those who will benefit the most from ESAP could pay some fees (e.g. annual subscription). The benefit ESAP would create for these providers or users could then justify a decision to apply some kind of fees.

Several stakeholders from different groups stressed the need to predict proportionate fees based upon the volume of download especially in the cases of entities aiming to profit from such professional use of data (e.g. data service providers). This could potentially become an additional funding channel for ESAP but also a way to ensure the smooth operation of the platform and avoid availability issues.

In all cases, it was vastly supported that no fees should apply to end-users for searching and accessing (viewing or single downloading) the information.

E. Governance

The governance dimension proved the most challenging as stakeholders' views varied not only between groups of stakeholders with different interest but also within the same group of stakeholders. The stakeholders' support focused mainly in a pure public and a public/private governance model. A few of stakeholders (mainly **users and stakeholders with a vested interest**) supported a private governance body leading the ESAP project.

In general, the **majority of stakeholders** supported that the most appropriate governance model should be based on public authorities including the ESAs and the related Commission services. The majority of them, also foresee an important role for ESMA at

least in the initiation phase and believe that is also important that different stakeholders, including the private sector (reporting entities and investors) and the national authorities (NCAs and OAMs) should be involved in the governance of the project, not necessarily at the same phase.
Two of the groups of **stakeholders representing regulators/authorities and the preparers** strongly supported a supervisory public body in charge of ESAP, focusing on ESMA's role to initiate and steer the project assisted by the other ESAs. The **majority of these groups** also foresee an important role for the national authorities and reporting entities in the governance model either in the board or as a consulting body. **Some of the OAMs (mainly from private sector)** and a part of the preparers were also in favour of a public/private governance model. The **vast majority of this type of stakeholders** rejected the model in which a private body would be in charge of ESAP.
The views of the **users group and the stakeholders with a vested interest** on the ESAP governance were similar with the views of **preparers and authorities** with a significant difference: although **in majority** they supported the supervisory public governance model run by the ESAs, **some of them** clearly opposed to that model. At the same time, **many of them** expressed a strong support to the public/private model. They often commented that the governance model should include all stakeholder types and be open and inclusive as soon as possible. In this perspective, **some users** proposed to examine the inclusion of EFRAG, Eurostat, and IFRS organization in the governance model. **Private consortiums** working on the sustainability-related information expressed very strong interest not only in being actively involved in the governance of ESAP but also co-funding the project.

Section 2: Analysis of results – Other technical/non-core aspects of the policy options

A. Voluntary disclosures

During the consultation activities, **many of the stakeholders (all groups)** supported the inclusion of voluntary information from entities other than those with securities listed on EU regulated markets. That includes entities with securities on any non-regulated market or an SME Growth Market, pre-IPO entities and entities that would like to be funded by sustainable finance or by private equity. Among the users, those who strongly support voluntary disclosures to be available via ESAP are those representing civil society while data providers to some extent they remain neutral to that prospective.
A **few stakeholders (mainly users)** expressed the opinion that ESAP could also be useful for public sector entities, non-European entities, entities which receive EU funds or grants, state guarantees. **Certain users, like market operators**, even believed that disclosure via the ESAP could be mandatory, beyond market participants, to non-listed large entities, as this would prevent a new public-private information gap in the interest of the Capital Markets Union.
There was an inclination to allow only predefined sets of key information to be posted in the ESAP, rather than any information. According to the **majority of stakeholders,** the main benefits for entities with no access to capital markets to disclose their information publicly in ESAP would be to get more visibility and attract a broader range of investors or business partners, and to increase transparency on sustainability reports and ESG data (easily retrievable). **Most of stakeholders, mainly users**, would rather see this information being available in a language that is customary in the sphere of international finance even though **preparers** could rather support the national language. In parallel, they opined that rules applying to information posted voluntarily to the ESAP should be similar to rules applying to any other similar mandatory information on the ESAP.

B. ESAP main characteristics and functionalities

Among various characteristics proposed for the ESAP, stakeholders supported primarily that the information should be of **high quality** and in that context, ESAP should focus in **higher quality rather in the widest scope** of information.

A majority of stakeholders and especially users, supported that information in the ESAP be subject to ***quality checks***. As regards which checks to perform, stakeholders put on top ***compliance*** with a relevant taxonomy and IT format, followed by ***completeness*** and ***availability*** of metadata. **Several OAMs** highlighted that they do not perform any additional quality checks besides the ones required (usually automated) to ensure compliance with the existing regulated document taxonomy (Transparency Directive - European Electronic Access Point). Quality checks on the content are rare too, only two cases identified of ***extensive checks*** performed by OAMs before the publication of the information.

Many of the stakeholders would expect from ESAP not only to provide information from ***reliable/trusted sources*** and to that purpose, they proposed the use of technology (electronic signatures, seals or other electronic means) to ensure integrity of information and the credibility of the source. In the same context, the ***immutability*** of information is another expectation from ESAP for many of the stakeholders.

The **majority of the all stakeholders** find it important that the information would be provided in a ***timely manner***. The availability of information on ESAP as soon as is published is crucial for **users and other stakeholders with vested interest. Among different types of users, data providers are more supportive on the timeliness on information while some representatives from civil society and large investors stay sometimes neutral.** For **authorities/regulators and mainly the OAMs** it is a point of resistance, as it is related with the dissemination of information which is a ***source of income*** for some (mainly private) of them.

Many stakeholders, mainly users, also stressed the importance of addressing the ***language barrier*** at least for the user interface. **Some of them** highlighted that ***machine-readability*** is the solution in addressing efficiently the language barrier (at data level). The civil society representatives strongly support that the user interfaces (Web portal and search engine) should be available in all EU languages while the large investors, the data providers and the small/retail investors equally support the use of a customary language in the sphere of international finance. **Regulators and national authorities** have been more precautious on the language dimension as ***national law*** usually ***requires*** information to be in the ***local language***. Regarding the content/data language views are similar among all groups of stakeholders and support equally a solution that will provide the information in some or all EU languages and a language customary in the field of international finance. Data providers though also support that content/data should be in the original language.

Finally, on the ***funding*** of ESAP the **vast majority of stakeholders of all types** supported that EU should fund the project but, there were a couple of ***private initiatives*** on sustainability-related information that would be willing ***to participate in the funding*** of the project.

Previous consultations have pointed out that ***authentication and identification*** should ensure the ***quality and security of data.*** Electronic signatures or seals and other trust services suggested to ***ensure integrity of information and certainty of the source of the data used.***

Section 3: Feed-back on the Inception Impact Assessment

Stakeholders from all different groups have expressed general agreement with the problem definition in the Inception Impact Assessment. Both preparers, users and other entities with an interest in the public financial and non-financial information in scope find that the information is not easily accessible and comparable. Stakeholders share the view that the information is especially necessary for investors in order to make sound investment decisions.

All stakeholders have expressed strong support for the establishment of ESAP as it can significantly improve access to company data and improve incentives to good corporate behaviour (ESG), support innovation, funding, etc. throughout Europe. Stakeholders from both the financial and non-financial sector have emphasized the urgent need to make ESG data available. ESAP thus has the potential to bring about a missing piece of the CMU and contribute to further integrating European capital markets, as well as the Sustainable Finance Strategy by making sustainability information more easily accessible to interested stakeholders, including potential investors.

The main concerns mentioned by stakeholders are that there should be no additional burdens introduced for entities, especially SMEs, there should be proportionality between requirements and the benefits of ESAP, and the interplay between ESAP and other policy projects from the Commission should be clear.

Generally, stakeholders' views do not diverge significantly between the different stakeholder groups.

ANNEX 3: WHO IS AFFECTED AND HOW?

Practical implications of the initiative

The preferred aggregated option for the ESAP will imply the following obligations (subject to a phased approach[182]):

Obligations for preparers:

- EU/third country entities subject to disclosure requirements under the EU financial markets legislation specified in Annex 9 have to: (i) draw-up such information in open and widely used data extractable formats (machine-readable formats may become mandatory depending on the exercise by the Commission of its delegated powers); (ii) include the required metadata (e.g. a legal identity identifier); (iii) provide an electronic seal in each document; (iv) submit the information to the EU/national collection points interconnected with the ESAP at the same time as the information is made public (e.g. on the entity's website).

- EU entities that wish to have their financial and/or sustainability related information accessible on the ESAP may do so provided that such voluntary information: (i) is prepared in an open and widely used data extractable format; (ii

[182] See Annex 16 for an overview of the suggested phased approach.

include the required metadata (e.g. a legal entity identifier); and (iii) is submitted to an EU/national collection point that is interconnected with the ESAP.

Obligations for EU/national collection points:

- They will receive mandatory and voluntary information from entities and be interconnected with the ESAP, which means: (i) develop an API; (ii) being able to receive information in data extractable formats (or in machine-readable formats where required by EU law) that include metadata; (iii) introduce standard open licenses equivalent to a generally accepted open license (terms and/or equivalence with the reference licence to be determined by the Commission via delegated acts); (iv) creating sufficient storage space; (v) provide a helpdesk-type service for preparers; (vi) making the information available on the ESAP within a predetermined timeframe; (vii) provide access to the stored information for at least 10 years.

Obligations for Member States:

- (i) ensure that for both mandatory and voluntary information there is a designated collection point interconnected with the ESAP; (ii) implement the file only once principle as regards the designated collection points.

Obligations for ESMA (re ESAP governance):

- Set up an ESAP platform with the following basic characteristics: (i) user friendly Web portal/Application Programming Interfaces (APIs); (ii) automated validation checks on the information received (nature and extent to be determined via Commission delegated acts); (iii) search function to retrieve information; (iv) indication of the source of the information; (v) machine translation service for retrieved documents; (vi) reader; (vii) individual and bulk download; (viii) notifications/RSS feed; (ix) ensure that information remains accessible for at least 10 years.

- Ensure appropriate governance for the ESAP platform, which means: (i) deciding on the technical specification of the IT infrastructure for the ESAP; (ii) deciding on the application of possible fees for specific services; (iii) advising on the specific machine-readable format for each type of information; (iv) deciding on the interconnection requests from Member States/national collection points.

- Develop advice to the Commission on certain secondary law measures, such as the choice of a legal entity identifier, common standards on automated validation by the collection points, common standards on APIs, the characteristics of the qualified electronic seal, licensing terms, and the timeframe, develop the taxonomy of some metadata. This would be done generally on a one off basis and successively over a few years, allowing ESMA to integrate the workload as part of its usual regulatory activities.

Summary of costs and benefits

Based on the responses received in our targeted consultation, the majority of respondents, notably preparer-users, are overall convinced (67%) that the benefits of the ESAP would outweigh its costs.

The tables below summarise expected benefits and costs of this initiative for the main stakeholder groups.

I. Overview of Benefits for all provisions – Preferred Option			
Description	***EU/Member states***	***Data users***	***Data preparers***
All information published by entities in the scope of EU financial markets legislation shall be accessible via ESAP. All voluntary information shall be accepted.	***Direct benefits***		
	-	• Access to all data from a single source • Easier access to the specific information needed	• Increased visibility • Attract potential investors • Less direct data inquiries from stakeholders
	Indirect benefits		
	• Make EU capital markets more attractive • Better visibility to sustainability issues	• Lower search costs, especially as regards cross border information • Better informed decisions (including as regards sustainability risks and impacts), which can lead to better allocation of capital • Enabling the offer of new services	• Ensure a more level playing field for SMEs • Simplified reporting process and reduced costs through harmonisation • Better insights on the industry performance
Only open and widely used data extractable formats that enable machine-readability are accepted + common minimum metadata for all information/documents.	***Direct benefits***		
		• Automated search of information in a document is made possible, allowing for more efficient analysis	• Added visibility through comparable data
	Indirect benefits		
	-	• Automated solutions to gather and process the data • Enabling new kinds of digital services and solutions based on a variety of data • Increase in the comparability of the reports content • Reduced decision-making time	• Increased quality of data • Increased trust in preparers' information
Entities submit the information to a collection point that is interconnected with the ESAP at the same time as they make the information public. OAMs, ESAs (where needed), NCAs (where needed) and other collection points are interconnected with the ESAP	***Direct benefits***		
	-	• Access to timely data	• Have data available to a broader audience in a timely matter
	Indirect benefits		
	• Facilitation of supervisory tasks	• Increased confidence in data integrity • Data still accessible at national level	-
Open data and service fees:	***Direct benefits***		

Possible fees with the exception of individual or public interest use	• -	• Broad and easy access to relevant data across the EU • Reduced costs of data access/discovery • Ability to create more data-driven models and digital solutions in a cost-efficient manner	• Added visibility and transparency
	Indirect benefits		
	• Enabling access to effective data usage to new kind of data services, citizens, media, universities, etc. • Reduction of asymmetry of information • Increasing confidence between countries and markets	• More resources and easier use of resources to develop analysis and algorithms lead to better service quality	• Broader scope of system users increases the impact of the communication through public disclosures
ESAP functionalities: (i) user friendly Web portal/Application Programming Interfaces (APIs); (ii) automated validation checks on the information received; (iii) search function to retrieve information; (iv) indication of the source of the information; (v) machine translation service for retrieved documents; (vi) reader; (vii) individual and bulk download; (viii) notifications/RSS feed; (ix) information made accessible for at least 10 years.	***Direct benefits***		
	-	• User friendly interface • Better discovery of information • Ability to search comparable information in multiple languages • Easier retrieval of large amount of data • Comparability of information over years	• Quick automated validation • Increased visibility to users
	Indirect benefits		
	-	• Lower search costs • Better focus on points of interest (notifications)	• Better insights on the industry performance

III. Overview of total costs (one-off and yearly) for the preferred option						
	Existing EU/national collection points (e.g. OAMs, NCAs, ESAs) [based on intended EU requirements, total number: 61]		Data preparers [with mandatory reporting obligation only, total number: around 167 000]		Commission/ESMA	
	One-off	Yearly	One-off	Yearly	One-off	Yearly
Total individual costs[183]	• API implementation EUR 25 000 • Metadata implementation EUR 25 000 • Signature validation service (software) EUR 800 **Total EUR 50 800**	• Maintaining the API EUR 6 250 • Maintaining signature validation service EUR 200 • Data transmission costs (negligible) • Implementation of validation checks and help desk for filers – not assessed for reasons set out in Annex 14 section 4, impact expected to be rather low • Increased amount of stored data and electricity consumption – not quantified **Total EUR 6 450**	• Creating an account with a collection point where needed (negligible) • Identify metadata (negligible) **Total costs negligible**	• Filing costs (also depending on the collection point – e.g. upload fees) EUR 200[184] • LEI EUR 60[185] • Signing tool EUR 160 • Creating and maintaining digital certificate EUR 380 **Total EUR 800**	• Development EUR 6.2 million **Total EUR 6.2 million**	• Operational governance cost 1.6 million – 2.5 million **Total EUR 1.6 million – 2.5 million**

[183] Compared to baseline.

[184] Subject to the Commission exercising its delegated powers on the specification of a machine-readable format, there could be future costs for drawing up the information in such a format. These costs would be assessed in the dedicated cost-benefit analysis for the adoption of the relevant delegated acts. Certain OAMs, either private or public, depending on each Member State, charge annual or upload fees on issuers as a source of funding (cost recovery or for profit), representing generally not more than a few thousands euros. A comparison of the scope of this initiative (167 000 filers) to the number of issuers (4 200), shows that the number of filers could be multiplied by over 30. This enables to envisage a dramatic reduction in subscription/upload fees for filers possibly down to a few tens of euros per filer instead or currently a few thousands euros. This amount will be highly dependent on each collection point, its funding structure, filer situation, evolution of costs, etc. and thus be zero in certain member States and higher in others. The uneven situation in the EU about such fees and uncertainties depending on many factors such as future choices to be made by member States do not allow to have more reliable estimates hence approximate estimate of EUR 200 additional costs on average (higher bound) compared to baseline are retained.

[185] Reasonable estimate within the price ranges observed in the market for an LEI of the GLEIF.

Total collective costs	• API implementation EUR 1 525 000 • Metadata implementation EUR 1 525 000 • Signature validation service EUR 48 800 **Total EUR 3.1 million**	• Maintaining the API EUR 381 250 • Data transmission costs (negligible) • Implementation of validation checks and help desk for filers – not assessed for reasons set out in Annex 14 section 4, impact expected to be rather low • Increased amount of stored data and electricity consumption – depends on each situation, not quantified • Maintaining signature validation service EUR 12 200 **Total EUR 0.4 million**	• Creating an account with a collection point where needed (negligible) • Identify metadata (negligible) **[Negligible]**	• Filing costs (also depending on the collection point – e.g. upload fees) EUR 27 388 000[186] • LEI EUR 3 807 600[187] • Signing tool EUR 26 720 000 • Creating and maintaining digital certificate EUR 63 460 000 **Total EUR 121.4 million**	• Development EUR 6.2 million **Total EUR 6.2 million**	• Operational governance cost 1.6 million – 2.5 million **Total EUR 1.6 to 2.5 million**

[186] 17% of the reporting obligations are already being filed to an EU/national collection point so the cost calculation was made considering only the remaining 82% of the filing.

[187] These costs are subject to the Commission exercising its delegated powers on the specification and designating the LEI of the GLEIF for all filers of information – otherwise could remain negligible as it is considered that filing entities would have an identifier (EU ID, VAT number...). At least 62% of the total ESAP entities (167 000) already have an LEI so the cost calculation was made considering 38% of the ESAP entities (i.e. 63.460), and an estimated reasonable cost of EUR 60.

ANNEX 4: WORKSHOPS, BILATERAL MEETINGS WITH STAKEHOLDERS, EXPERT GROUPS, AND COMMITTEES

Virtual workshops with stakeholders

Workshop	**February 2nd 2021**
Stakeholders with vested interest	

Agenda item: **SCOPE – STRATEGY – VISION** **Presenter:** **Commission**

Discussion:

Expectations for ESAP
Scope of information
Key elements of success
Overcoming obstacles and risks

Key points / Conclusions:

- All participants fully support the EU initiative
- Scope the wider the best
- Phase in approach in favour (TD and ESEF in phase1, NFR also important for the majority but not priority one)
- A clear mapping of reporting obligations will help to prioritize information in scope
- EDGAR is a good example but not the ideal model (cons: costs, technology, no-bulk pros: point of reference)
- ESAP should be a reference point if we want to "think big".
- Data availability and timeliness adds real value to the project

Survey results: 12 responses

Q: What information should be machine-readable?
Financial data as much as possible and key non-financial information were strongly supported.
Q: What are the key elements that could make the ESAP a reference point?
Timeliness, reliability, traceability, quality, machine readability and comparability are were strongly supported
Free access, retention period, bulk download, historical data, mitigation of language barriers and infrastructure/governance could also affect but not to the same level of importance

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Agenda item: **IMPLEMENTATION - THE KEYS TO SUCCESS** **Presenter:** **Commission**

Discussion:

Main functionalities and characteristics
Data access and usability
Technology as an enabler
Governance model

Key points / Conclusions:

- Global identifiers (a legal entity identifier) are an enabler when it comes to accessibility and comparability.
- Timely data is in high demand. Simultaneity also important for market sensitive information

- Data ownership should be addressed to ensure an open data model.
- Data quality is important and controls should be established (checks, audit, public feedback)
- Commercial use and "power users" could be with a fee (related with the usage and also ensure system stability)
- Technology can solve problems and bridge national gaps and especially in language issues
- XML is good enough as a technology
- Scope of information is the key for determining the appropriate governance model
- Public-Private governance model could be more efficient but ESMA has a leading role (phase1)

Survey results: 12 responses:

Q: When building the ESAP, should any barriers to access and use of the information be removed (such as the inability to do bulk downloading, access fees, different languages, scattered access)?
The majority believes that such barriers should be addressed
Q: As regards non-listed companies and SMEs, what is the type of information that could be disclosed on a voluntary basis in the ESAP?
A set of predefined key financial and sustainable related information were the answers in favour
Q: What would be your preferred governance model for ESAP?
The views were split between Public and Public/Private models with ESMA having a role in both
Q: Having in mind the cost that you incur today for accessing and using public information do you expect that ESAP would help you reduce it (and how much)?
Half of participants would expect a reduction of these costs and half of them from 25% up to 50%

Workshop	**February 10th 2021**
Authorities (ESAs, NCAs, EC, OAMs)	

Agenda item: **OBJECTIVES AND SCOPE** **Presenter:** **Commission**

Discussion:

Expectations for ESAP
Scope of information
Overcoming obstacles and risks

Key points / Conclusions:

Overall, EU authorities support the ESAP initiative and believe that an EU intervention in needed.

A vast majority stressed that ESAP should built on existing infrastructure and reporting channels and should follow a phasing approach starting from data that is most beneficial for investors.

Both financial and non-financial information should be available, but more emphasis was given to financial information. ESAs pointed out the need for co-ordination in similar projects that they are already working on (Pillar III data hub by EBA)

According to a vast majority of participants, ESAP should address the need of user groups and the lack of common standards and definitions.

Some of the participants raised concerns on the possibility ESAP having dissemination functionalities but technologies should be examined that could provide appropriate solutions.

Finally, most participants supported a free access model (no fees) for end-users.

Survey results: 35 responses

Q: I participate as a:
Most participants were representing National Competent Authorities.
Q: Should the ESAP provide also access to voluntary disclosures by companies?
Almost half of the respondents supported that voluntary disclosures should be accessed using ESAP.
Q: Should the ESAP progressively increase the scope of the information made available (phasing-in)?
Almost all respondents preferred a phased-in approach.
Q: Should the ESAP be used only as a repository (storage function) or also as a channel for the timely publication of information?
A slight majority believes that ESAP should be a repository of information but there was a significant support by several respondents on ESAP being a channel for the timely publication of information.
Q: Which of the following existing barriers should be addressed by ESAP?
The majority of respondents backed-up the opinion of addressing the language barriers and bulk downloading.

Agenda item: **FUNCTIONALITY AND MAIN CHARACTERISTICS** **Presenter:** **Commission**

Discussion:

Functionality and accessibility
Machine readability and data quality
Technology as an enabler

Key points / Conclusions:

Overall, all participants supported that information on ESAP should be machine-readable. However, they emphasize that there is a demand but also a lack or limited availability of sustainability data and that is the main reason to believe that ESG information should be on ESAP when data is defined and structured. There were also concerns if all information should be in machine-readable formats as regards qualitative information.

A vast majority of participants stressed the need to build the ESAP structure on the existing, however, encouraging the information to be in a machine-readable format. Some concerns there were raised about the efficiency of publication of information on entities' website.

Several participants expressed the opinion that information quality should be ensured but without adding obligations to MS authorities or shifting responsibilities from the issuers to authorities or ESAP.

Different formats could be allowed only if comparability is ensured, while structured data is the main way to address language barriers (common taxonomy)

Survey results: 31 responses:

Q: Do you see any obstacles to having different formats for different types of information?
Majority of respondents do not see a problem in different formats but some pointed out the importance of ensuring comparability between them.
Q: Are you using in your organization any the following emerging technologies?
Around half of respondents use big data technology. Machine learning, language processing and artificial intelligence are also used in some authorities.
Q: Considering information to be made public by companies (i.e. both financial and non-financial information), what should be made machine-readable?
Most of respondents support machine readability for key financial and non-financial information. Opinions are divided on the possibility of having machine readability for all information in scope.

Agenda item: **GOVERNANCE, DATA COLLECTION and INFRASTRUCTURE** **Presenter:** **Commission**

Discussion:

Governance and funding
Data collection and infrastructure

Key points / Conclusions:

In general, participants view the governance in relation to the scope of information. Most participants have emphasized that ESAP could benefit from being governed by ESAs (i.e. ESMA hosting body) to benefit from the experiences they have in such areas.

Some were supportive of a public private partnership that would focus on the long-term vision and not in the first phases of the project.

Vast majority of participants agreed on the fact that ESAP has to be freely accessible but some at the same time proposed that commercial use could be with payment from the user or the issuer side.

Survey results: 23 responses:

Q: If the ESAP includes a broad scope of information (NFI, voluntary disclosures), how would you rate the following governance models: Public body with all ESAs vs Public/Private consortium vs Private consortium
All respondents without negative opinions supported the public body. On the other hand, private consortium was not supported from respondents. On the public/private consortium, opinions were evenly distributed.
Q: Should the ESAP allow for direct upload of information (e.g. voluntary disclosures) by market participants?
Almost half of the respondents supported direct uploads of voluntary disclosures but in parallel, there were some respondents opposing.
Q: Would you be able to accept submissions in different formats?
The majority of authorities that replied would be able to accept submissions in different formats without any or with minor developments needed.

Agenda item: **GENERAL DISCUSSION** **Presenter:** **Commission**

Discussion:

Expectations for ESAP
Key elements of success
Overcoming obstacles and risks

Key points / Conclusions:

Overall, all participants support the ESAP initiative. A vast majority stressed that ESAP should be a primary source of information/data, meaning that the information should be rendered accessible in a timely manner. ESAP should include key information and avoid including any type of commercial document. ESAP should allow the re-usability of its data.

According to a vast majority of participants, ESAP should address the need of investors; it would however be also useful to consider whether to address supervisory authority need.

A majority of participants has emphasized the need for ESAP to be implemented in a phased approach with a clear road map, hence, ensuring ESAP's success by promoting data quality.

Participants have indeed highlighted the need for ESAP to have high quality raw data.

A majority of participant has stressed that some of the main issues as regards finding and retrieving the information/data across the EU, is that the information is scattered across all MS and the lack of standardised metadata, which renders difficult the comparability. Some participants have also mentioned that sometimes-accessing public information was costly.

Agenda item: **SCOPE, ACCESS AND USABILITY** **Presenter:** **Commission**

Discussion:

Scope of information
Main functionalities and accessibility
Technology as an enabler

Key points and conclusions:

Overall, all participants were aligned as regards key entity related information which would first need to be included in the ESAP's scope: (1) all relevant non-financial information which are covered by NFRD, taxonomy and SFDR along with (2) already existing financial information disclose requirements (TD). Indeed, the lack of data or limited availability of sustainability data was emphasized by most participants.

However, some participants were supportive of including in a second phase voluntary information along with product related information notably PRIIPS and PEPP, while others seemed doubtful.

A vast majority of participants stressed the need to build the ESAP structure on the existing, however, encouraging the information to be in a machine-readable format. A large number of participants have expressed the need for ESAP to allow a variety of machine-readable formats, while keeping in mind the file-only-once principle.

Concerning the accessibility of the information, participants have no strong views, some even stressed that having access to the information in a centralized manner was not key. However, all participants are strong supporters of being able to compare quality data in a timely manner on ESAP.

For most participants, ESAP should be user-friendly and provide the clear sourcing of the information. In addition, there should be an easy download function (including bulk-downloads).

Most participants were stressing the need to have quality checks at issuer level before submitting information on ESAP.

Agenda item: **GOVERNANCE AND FUNDING** **Presenter:** **Commission**

Discussion:

Governance model
Cost and funding

Key points and conclusions:

Overall, all participants have split views as regards the governance model of ESAP. Some participants have stressed that ESMA should be in charge of ESAP, hence avoiding any type of conflict of interests, ensuring maintenance of data quality, its neutrality and secure transparency.

Some participants have emphasized that ESAP could benefit from being governed by ESMA (i.e. hosting body), with a governance board composed of stakeholders representatives which could voice the industry's need by providing technical expertise.

Others, were supportive of a public private partnership, stressing that private stakeholders could ensure ESAP would then de designed both for preparers and users.

All participants agreed on the fact that ESAP has to be freely accessible for all users, hence preventing any type of monopoly. However, some participants stressed the need to include proportionate fee based upon the volume of downloads.

Other Information

Special notes:

Overall, there is a strong appetite from all participants to have access to entity related sustainable related information as well as financial information right from the launching of the ESAP platform.

Survey statistics

E-workshop online survey session 1 (28 participants):

A vast majority of respondents to the online survey was in favour of EU intervention to establish ESAP

E-workshop online survey session 2 (25 participants):

A vast majority of respondents to the online survey was in favour of establishing the ESAP in a phased manner and that ESAP should both the repository and disseminated the information in a timely manner.

E-workshop online survey session 3 (18 participants):

Mirroring the outcome of the e-workshop, respondents to the online survey have split views as regards the governance of ESAP (1) some favouring a public body in charge of ESAP and others (2) favouring a public-private partnership. Overall, a vast majority of respondents are not supportive of a private consortium.

Workshop Preparers	March 2nd 2021

Agenda item: **GENERAL DISCUSSION** **Presenter:** **Commission**

Discussion:

Expectations for ESAP
Key elements of success
Overcoming obstacles and risks

Key points / Conclusions:

Overall, all participants support the ESAP initiative and believe that an EU intervention in needed. A vast majority stressed that ESAP should built on existing infrastructure and reporting channels and respect the file once principle.

ESAP should follow a phasing approach, starting with the information that is available and comparable (ESEF). Financial and non-financial information should be available. ESG information should be first well standardized and defined.

According to a vast majority of participants, ESAP should address the need of user groups and the lack of common standards and formats and at the same time ensure data quality.

Voluntary disclosures for SMEs could be also in scope but concerns were expressed about the related costs.

Some of the participants believe that ESAP would lower the costs for both preparers and users while others pointed out the risk of introducing additional requirements and costs for the preparers.

Survey results: 16 responses

Q: Do you think an EU intervention is necessary or could/would the market establish such an access point?
Vast majority supports an EU intervention.
Other questions on risks and benefits were qualitative and not quantitative and they are reflected in the key points/conclusions session.

Agenda item: **SCOPE, ACCESS AND USABILITY** **Presenter:** **Commission**

Discussion:

Scope of information
Functionalities, data accessibility and usability
Technology as an enabler

Key points / Conclusions:

Overall, all participants were aligned as regards key entity related information which would first need to be included in the ESAP's scope: (1) already existing financial information disclose requirements (TD-ESEF) and (2) all relevant non-financial information which are covered by NFRD, taxonomy and SFDR. However, they emphasize that there is lack or limited availability of sustainability data and that is the main reason to believe that key ESG information should follow the key financial information in the phase-in approach.

A vast majority of participants stressed the need to build the ESAP structure on the existing, however, encouraging the information to be in a machine-readable format. A couple of participants have expressed the need for ESAP to allow a variety of machine-readable formats and respect the file-only-once principle.

Some concerns there were raised about the efficient dissemination of information that is published on entities' website.

Many participants were supportive of including in a later phase product related and voluntary information but after a careful prioritization.

Survey results: 15 responses:

Q: Should the ESAP provide also access to voluntary disclosures by companies?
The majority is in favour of the availability of voluntary information through ESAP.
Q: When submitting information to ESAP, which of the following ways is preferable?
Keeping the current channels OAMs and NCAs is the preferred option.
Q: Should the ESAP be used only as a repository (storage function) or also as a channel for the timely publication of information?
Vast majority of participants support the idea of timely publication the information through ESAP.
Q: Considering information to be made public by companies (i.e. both financial and non-financial information), what should be made machine-readable?
Participants support in a more solid way that key financial and key non-financial information should be machine-readable. Views are split about applying of machine-readability on all financial and non-financial information.
Q: Should entities should continue publishing information on Websites only, ESAP only, both
Majority of participants support the option to submit information also in ESAP when it is on the website. (both)
Q: Do you see any obstacles in having different formats for different types of information?
Views are split, no clear conclusion.
Q: How would you estimate your capabilities to reporting in XML, ESEF/xHTML/XBRL, and any format? How do you perceive structural reporting (e.g. SCV, XML or XBRL) in terms of the reporting burden?
Majority of participants feel comfortable to report in ESEF formats or XML. They also understand and accept the extra additional burden to some extent.

Agenda item: **GOVERNANCE AND FUNDING** **Presenter:** **Commission**

Discussion:

Governance model
Funding and costs

Key points / Conclusions:

The participants have split views as regards the governance model of ESAP.

Some participants have emphasized that ESAP could benefit from being governed by ESMA (i.e. hosting body), with an advisory board or a supervisory committee composed of stakeholders representatives (private and public).

Others were supportive of a public private partnership and there was a mention on joint undertakings (public-private-academia sector in board seats), which attracted the attention of some participants.

All participants agreed on the fact that ESAP has to be freely accessible but some at the same time proposed that commercial use could be with payment.

Survey results: 13 responses:

Q: If the ESAP includes a broad scope of information (NFI, voluntary disclosures), how would you rate the following governance models (public body, P-P consortium, private)?
There was a strong positive position for public body with all ESAs, a positive for the public-private and a negative for an exclusively private governance. Some proposed Eurostat, EFRAG or similar authority.
Q: Should the ESAP allow for direct upload of information (e.g. voluntary disclosures) by market participants?
The majority was in favour of direct uploads on ESAP for specific information
Q: What role would you assess your organization might have in the funding of ESAP?
There was no willing to participate actively in ESAP's funding but participants would be interested in other aspects of governance like standard setting or a consultation role.

Workshop	**9 March 2021**
Entities with no access to capital markets – including SMEs	

Agenda item: **GENERAL DISCUSSION** **Presenter:** **Commission**

Discussion:

Preparers' perspective (SMEs and other issuers) and current data landscape
Expectations from ESAP
Key elements of success
Overcoming obstacles and risks

Key points / Conclusions:

Overall, all participants support the ESAP initiative. A majority stressed that ESAP would benefit SMEs and small family business as a benchmarking tool and would be useful to check the credit worthiness/credibility of their business partners.

Participants have split views as regards the expectations from ESAP, some stressed that it would benefit small non-listed entities which (1) have a desire/appetite to grow, (2) have an interest in seeking funding from the financial market, (3) are looking for visibility and/or (4) seek for merges/business partners. There are many different scenarios where the SMEs might be interested. However, others emphasized that from a cultural perspective small family business would be reluctant to render public on a voluntary basis their financial information.

Some participants argued that from an investor's perspective, the key benefit of ESAP would be to render SMEs visible more than granting access to its public information. Hence, should an investor be interested in a specific SMEs, it could reach-out to this SMEs to then access all the relevant data he would need for its due diligence.

The size of the company is not the only criteria to take into account, according to some participants there is a great variety of SMEs, with different as regards ownerships and marketing strategies. Participants stressed that SMEs already have many data to provide.

From a technical perspective, some participants argued that setting-up ESAP could be a challenge as each country has its own access to business register. In addition, some have access to the information for free while other need to pay, hence the architecture would need to carefully balance out interests of all the parties involved.

Some participants emphasized the need to accompany SME (e.g. family businesses) to better understand financial literacy.

Agenda item: **SCOPE, ACCESS AND USABILITY** **Presenter:** Commission

Discussion:

Scope of information
Main functionalities and accessibility
Usability

Key points and conclusions:

Overall, all participants are in favour of disclosing on ESAP all public information which is required by law, as regards non-financial information it will depend on the outcome of the NFRD review. However, each SME should be able to render public any voluntary information they want – nothing should be mandatory, as it will be too burdensome and costly for them.

A participant stressed that in its view SMEs should render accessible on ESAP on a voluntary basis financial information (e.g. annual report) and sustainable related information. According to this participant, SMEs should also have a standard for ESG reporting and it should be covered by the NFRD, notably as there is a huge demand for ESG data.

It was stressed that SMEs should continue to rely to their accounting providers, hence, ESAP should provide a free questionnaire for the NRFD data for instance to be filled-in by accountants.

Participants have split views as regards the format of the information, which will be accessible on ESAP, a participant has stressed that in its MS digital reporting was already required for all sized companies. The digitalization process was launched in a phased approach starting with smallest companies. Other participants argued that depending on the format required for the information to be machine-readable it could be too costly for SMEs.

A vast majority of participants argued that the architecture of ESAP was important, the portal needed to be attractive, hence user-friendly.

Other Information

Special notes:

Overall, there is a strong interest in ESAP. Participants are willing to render public on ESAP all legally required information, however, each individual entity should be free to share any voluntary information.

Survey statistics

E-workshop online survey session 1 (9 participants):

All respondents to the online survey think that based on the type of industry of the non-listed company, it will be more prone to seek market-based financing. A vast majority also think that another driver would be the company willingness to grow.

According to respondents, some specific companies would be prone to sustainability-related visibility such as (1) companies in ESG supply chain, (2) energy related and environment focused companies and (3) innovative companies.

E-workshop online survey session 2 (6 participants):

A vast majority of respondents to the online survey think that SMEs would use ESAP to check competition, look for market opportunities, find financial information and KPIs and check the credit worthiness of a business partner. The main barriers accessing the information would be cost, language, fragmented offering across the EU and the lack of availability of the information in some MS.

Workshop **March 11th 2021**
Official Appointed Mechanisms (OAMs)

Agenda item: **OBJECTIVES, SCOPE AND FUNCTIONALITY** **Presenter:** **Commission**

Key points / Conclusions:

- Most OAMs would see no problem in expanding the scope of data collected.
- OAMs also willing to feed in the ESAP with data collected.
- Voluntary info is critical: private OAMs used to collect voluntary info. Public OAMs (DE, FR) much more reluctant to accept voluntary info unless legal obligation exists.
- Scope would also determine some other features: validation checks, formats accepted, governance, collection scheme (some OAMs do the three functions at the same time: dissemination, filing with NCA, collection for OAM – some do only one or two),
- Free access: all OAMs offer free itemized access. Voluntary info not regulated more prone to commercial use.
- Phasing-in, strong support across the board.
- OAMs do not support taking over the dissemination function, which is primarily the responsibility of issuers. They see the ESAP as a repository primarily, even if in terms of timing, availability on OAM is not long after (in DE "within reasonable time"). LU more willing to combine dissemination/storage if this does not disrupt their business model (main source of revenue in LU is dissemination). However, IE thought that they could play it if done intelligently and they could continue selling additional services.
- In general, OAMs want the data to remain in their servers, under OAM control.
- The collection system may inform the scope: collection by public body means regulated information, normally.

Survey results: 20 responses

Q: I participate as a:
Private OAMs and public OAMs represented equally (50-50)
Q: Should the ESAP provide also access to voluntary disclosures by companies?
Half of the respondents supported that voluntary disclosures should be accessed using ESAP. Only ¼ against.
Q: Should the ESAP progressively increase the scope of the information made available (phasing-in)?
Almost all respondents preferred a phased-in approach.
Q: Should the ESAP be used only as a repository (storage function) or also as a channel for the timely publication of information?
A slight majority believes that ESAP should be a repository of information but one in five respondents supported the idea of ESAP being also a channel for the timely publication of information.
Q: Which of the following existing barriers should be addressed by ESAP?
The majority of respondents backed-up the opinion of addressing the barriers of language and bulk downloading.
Q: How easy do you think will be for your organization to feed in real time the ESAP with information/data you receive in the case of setting up an inter-operability layer?
Opinions were divided between respondents. Several OAMs will probably face difficulties to adapt a slight majority would manage better the transition.
Q: How easy do you believe it will be for your organization to?
Easier adaptation should be expected for more metadata requirements and free access, while it will be more difficult for OAMs to adapt in a system where ESAP will publish first the information and perform more extensive validation checks.

Agenda item: **MACHINE-READABILITY AND DATA QUALITY** **Presenter:** **Commission**

Key points / Conclusions:

Most of participants in favour of machine-readability. Some of them pointed out the importance of human readability also, which is provided by xhtml for example.

Some mentioned that iXBRL might not be the best technology for all types of information.

In general should be easier to have some different formats but not to many in order to control the systems and the costs. The main problems may be the comparability of data and the resources.

Only some of the OAMs perform validation checks but most of them believe that data quality is important. There was a debate on the dissemination of information but it seems reasonable to seek a solution that will deliver the information timely.

Survey results: 19 responses

Q: Do you see any obstacles to having different formats for different types of information?
Opinions were divided. Comparability and resources related issues were the main problems mentioned.
Q: Are you using in your organization any the following emerging technologies?
Around 1/2 of respondents used DLTs/Blockchain. Machine learning, language processing, big data and artificial intelligence are being used by some OAMs.
Q: Do you currently perform IT validation checks on the information you receive?
Half of respondents already perform validation checks mainly pre-submission checks the other half they don't perform any.

Agenda item: **GOVERNANCE, FUNDING and INFRASTRUCTURE** **Presenter:** **Commission**

Key points / Conclusions:

In general, participants view the governance in relation to the scope of information but most of them they would like to participate at least in providing advice or in a committee.

Most of the OAMs have a limited capacity in funding the ESAP project and EU funds should be used mainly.

Vast majority of participants agreed on the fact that ESAP has to be freely accessible.

Survey results: 18 responses

Q: Should the OAMs play a role in the governance of ESAP?

The majority of OAMs would be willing to participate in the governance model mainly in a steering committee or advisory group. Some supported that ESMA should have the lead but OAMs should be consulted before any decision made.

.**Q: Should the OAMs play a role in the funding of ESAP?**
Data sharing was the most preferred option supported by 1/3 of respondents. Some supported direct access and some the use of metadata and only links to the data.
Q: Should the ESAP be built on the interconnection of the excising EU/national registers/repositories via:
The majority of OAMs are accepting different types of files/formats or minor developments will be needed to do so.

Wrap-up Workshop	April 27th 2021

Agenda item: **Outcome of the ESAP targeted consultation** **Presenter:** **Commission**

In general, there is a strong support from the participants on ESAP and a phased-in approach.
Some supported the opinion that ESAP should not wait for information to be standardized in order to be included since the availability of the some information even in human readable formats is important. Payments for extensive use or commercial use should be examined. Timeliness of information will be crucial if ESAP aims to be THE source of trusted public information. In regards with the costs of standardization and the voluntary disclosures by SMEs, it is important that proportionality be applied. Several participants underlined that EU taxonomy and other sustainability related or ESG information should be a priority and that ESAP's timeline should align with other related legislative developments.

Participants' positions:

Stock exchanges:

- **Web access should be free** but **API and bulk download should be charged**.
- **All information should be structure and defined**.
- **Some NCAs even give pdf forms to fill**.
- Formats should be **both human and machine-readable (human first).**
- **XBRL should be avoided** due to complexity but it should be **kept in some use cases (e.g. financial statements)**
- For other reports: simple content, **simple formats should be used**. **Avoid Excel, preference in xHTML**. **Inline XBRL only when it is relevant.**
- We have a **service for publication** of **all kind of information so our scope is already broader than 'OAM' scope;** currently we are limited to issuers.
- We support **to start with TD and ESG information**.
- **CSDR timelines should be aligned with ESAP.**
- **Standardized formats is also a huge cost there should be some proportionality.**
- Having **one place to find information** would be **very valuable.**
- The entities would not themselves directly file in ESAP but there are intermediaries.
- Certain regulation requires the data to be filed in e.g. stock exchange. All these can be data providers for ESAP
- No regulatory requirements needed towards SMEs. For instance, business registries could share their annual Financial Statements with ESAP in phase 2.

SMEs:

- As long as it is about **channelling the existing information and sharing this data to a broader audience** it is ok. **Otherwise the reporting should be voluntary and for the contents of the reports, no new obligation.**
- Standardisation: try to make a **distinction between the big and small companies**.

IT organisation

- **Proposals seem very sensible**. About legislation, there is a **huge amount of variety between local implementations.**
- Technically more **complicated** if ESAP is **only pointing to the original data source** rather than containing a copy.
- This project is **not going to be very cheap**. Will ESAP be the **primary source of data or an archive**? We think it should be the primary location. However, this means the project **needs to be properly funded. In case proper funding is not found, we suggest leaving it to the private sector.**

Accountants:

- Accounting firms think it is necessary to **harmonize the different directives and the sustainability directive** as the scopes are overlapping. Otherwise, there will be added reporting burden.
- The ability of ESAP **to include auditor's report** is very important aspect.
- Final comment: **First, include any data** and then standardize in phases.
- ESAP itself should not harmonize reporting requirements BUT harmonised reporting requirements should be an important and separate project, which in the longer run should greatly increase the effectiveness and efficiency of ESAP

NGO:

- In general strong **support for the ESAP** especially to **include sustainability information**.

- **Governance**: **very supporting of public-private initiative** as this enables the users and the industry's feedback. Important to **include** also **academics and civil servant association**. **Direct representation in the board** might bring better outcome.
- **Good to have open access**, interesting to differentiate the **web access and API access or based on the amount of data used**. Have you considered charging for institutions that benefit the most? Maybe an annual fee might work best.
- We are supportive of the BR-AG's proposal what to include in the phase 1, but we would like to stress the importance to include EU taxonomy and SFDR-related disclosures in addition to NFRD
- Strongly support a **phased in approach**, **financial and sustainability data highest priority**. **Product disclosures important in rather early stages.** It would be very useful to include marked abuse information in phase1 sprint1. In the second sprint with sustainability information (CSRD), within the EU taxonomy you have both category entities in the scope. Do not to forget the product information.
- Creating **EU taxonomy** is important.

Insurance:

- Strong **support**. Primary reason to ensure that we have the **data available**.
- **Priority to CSRD data** since there is the biggest gap today.
- **Machine readability should not be the reason to delay anything**.
- This is public good so **data should be free.** Users for **commercial purposes could pay** for the data.
- Phasing in (sprint approach is good). Ultimate goal should be a system where a company can take a list from its investments and extract all of their data. Some data may be in PDF for now or even in the future. Being able to access the data even in a semi-automated way is the most important.

Regulators:

- **support ESAP** project in the way foreseen
- Supporting of the **phasing approach.**
- **Standardisation** is **advancing in sustainability reporting**.
- **ESAP legislation should not be the place where reporting is standardized.**
- We **should not wait** for the **digitalization** of all the information **before ESAP starts**.
- **Only machine readability can bring the resolution to language issue**.
- **Attention on quality vs. voluntary filings**

Funds sector:

- **ESG data is priority** to have available.
- **Voluntarily** disclosures is a **challenge**.
- **Free of charge** fine, but can support **charges for commercial use**.
- **Time is of the essence**, we believe that phasing is the solution. Timing is crucial.

Banking sector:

- **We support** the **initiative**, the **phasing** and the **priority** setting presented.
- **Need for standardization** and that it **should happen on a legislative level**.
- Market participants to report data keeping in mind the **proportionality**.
- **Timeliness** of data is **important**.
- Financial information already reported in **national registries** like SME financial statements **should be automatically transferred to ESAP.**
- **ESAP timelines** should **align** with **legislative changes** required to **standards development**.
- When considering sustainability information, information on for example energy performance label of EU buildings is very important. This information is centralized by authorities at member state level and made publicly available by these authorities in some cases. This information is very important in the case for example of banks and it would be key to have it publicly available in a centralized way at EU level. Would it be possible to consider this information within the ESAP scope

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Interviews with the OAMs (summary)

Interviewed OAMs: Latvia, Luxemburg, Denmark, Ireland, Italy and Germany

Data collection

The entities are directly supplying the data to the OAM or at times there is a proxy or a service provider.

Typical solution a web portal where the data is uploaded by the filers. The OAM keeps and publishes the data but the internal use seems to be limited to carry out supervisory functions.

Business models for the OAMs

The funding models even with public organisation OAMs vary quite a lot, examples:

- fully government funded

- market participants (not issuers) funded

- funded by issuers for data dissemination and storage

Based on the answers received, the cost of annual OAM operation was ranging from roughly 300e (not including labour) in small markets to 200 000e in developed markets. Mostly likely the costs are affected by the additional relative responsibilities of the respective OAM.

Data users

Many OAMs don't keep track on user statistics. Some observations from respondents:

- we can assign almost all recorded activity (99.9 %) to activity by non-registered users. Furthermore, a rather large portion of registered activity is linked to disproportionally few IP addresses.

- Equity Issuer Annual Financial statements are most queried / searched

-Annual upload quantity 15000 files per year

"Common solutions:

- for data providers: web portal with login and upload files functionality

-for data users: web portal with search engine with basic metadata search. Some offer also subscriptions to certain kind of searches.

- most popular disclosures were mentioned Notifications of voting rights (Notification of Major Holdings, Notification concerning the acquisition of own shares, Notification of the total number of voting rights according to Sec. 41 WpHG)"

For the amount of active users only a few of the interviewed OAMs had insights. One mentioned 4400 with the estimation of 75% of these being associated with issuers, other companies and funds, etc. while 25% of them would be personal users' accounts. Another OAM mentioned them having about 11100 active user accounts.

About the stratification of users (individuals, institutional investors, retail investors / funds, analysts, commercial users) the OAMs interviewed had no insights.

When asked how many issuers the OAMs estimate there would be from their country in ESAP, the answers were ranging from around 10-500. Was very hard to estimate as the scope of ESAP was not clear.

Timeliness / storage function / dissemination

Typically issuers may file themselves or they may use specialised media/service providers to file on their behalf.

In most cases the data is simultaneously available at the OAM as it would be in other places. If there was delay it was estimated to be maximum some minutes difference in time.

When asked if the OAMs saw possibilities to reduce the time between dissemination and availability to end users on OAM, solutions like only using API transmission and automatizing all processing on the OAM side were mentioned.

The data dissemination is the main core function for some private OAMs and at times the most significant source of funding. Almost all of the interviewed OAMs were objecting ESAP to take on this role.

Some of the OAMs were very open minded towards collecting more data from the reporting entities (e.g. filings from SMEs) where as others expressed that they are only able to collect data that they are regulated to collect.

Connecting to ESAP

Many OAMs found it difficult to estimate the costs to connect to ESAP. A few of them were able to estimate that the implementation of the API to connect to ESAP would cost around 40-50 mandays. One OAM was pointing out that similar implementation that building the BRIS connection would cost around 200 000 euros.

Many OAMs had no clear opinion on the expansion of the data collected to e.g. data that is currently only in the entities website. A few pointed out that standardisation and data quality also for these reports should be taken into consideration. Some also pointed out that there needs to be regulation first.

All the interviewed OAMs agreed with the approach of pushing data to ESAP and both a) ESAP keeping copies of data + metadata b) ESAP only keeping metadata were perceived positively but the former was more often endorsed as it reduces the system load on the OAM side.

Data related functionalities

Most of the OAMs indicated that they don't do any transformations for the data for e.g., visualisation purposes but rather publishing it exactly as it is provided to them. One of the interviewed OAMs expressed that they transformed all the XML data they receive into HTML and PDF for visualization purposes.

All of the OAMs had some mechanisms to ensure data immutability. Most common way was to archive the document in a non-editable way. Only newer versions of the filing could be published but the original filings would still be discoverable.

Three of the interviewed OAMs perform technical validations for the data. A few OAMs also provide some rules in the filing portal to provide the correct metadata. Many of the OAMs do not have the right to reject the faulty filing and thus the validations are perceived redundant.

No OAM was able to assess the costs to implement validations as it so largely depends on the scope of the validation.

Metadata

Commonly occurring metadata fields were identified as:

- entity name

- entity identifier

- registration / publication time

- document type

- fiscal year

- language of files

The cost to add more metadata was difficult to estimate for the OAMs and it was perceived to be dependent on the complexity of the metadata and the extent. One OAM pointed out that the work should not be too demanding whereas one OAM was estimating the cost to be between 20-50 mandays.

Structural data

Apart from future ESEF filings, many of the OAMs interviewed don't seem to receive hardly any data in structural format. PDF is a dominant information disclosure format. One of the interviewed OAMs said that all the data they publish is also available in structured format.

Majority of the interviewed OAMs were very supportive towards standardisation and building transparency within EU. Similarly, the development of common taxonomies was perceived positively but the cost / benefit ratio from the perspective of the preparers should be taken into account with new regulation.

Other notes from interviewees

- Principles: there is a lot of business models out there that might have a problem with the free data access. Dissemination: clear distinction between information being available free of charge and disseminating the information. We are comfortable with the data being available with free of charge. Dissemination is that you receive the data because you are a customer of the service
- All international initiatives that aim at streamlining the structure of information across issuers/entities/country borders and making information machine readable will, in the long run, create huge benefits for investors, analysts and other interested parties if implemented well, since information across issuers/countries will be easier to compare and consume.
- Feedback from users should go directly to the issuers (not going to the OAMs or NCAs in between).
- OAMs would welcome the ability to charge fees on bulk download functionality.

Meeting with the Expert Group of the European Securities Committee (EGESC)

Commission services reminded the objectives of the ESAP which is part of the CMU Action Plan. Member States were invited to provide views on direction to be taken as regards the scope of information, dissemination, language and governance. Eleven experts took the floor, all supporting the initiative and underlining the need to add no burden on, and require no new information from entities. Experts recommended to build as much as possible on existing infrastructure. As regards scope, experts supported a phasing-in approach, with an overall view that ESG information and information in the scope of the Transparency Directive could be prioritised. Some experts believed that product related information could be included in the ESAP (with lower priority) but others thought that it might not be necessary – or advisable – to include such information. There were also mixed views as regards accepting or not information published on a voluntary basis by entities given potential comparability or machine readability issues. As regards language, experts reminded that in most Member States, information in a language customary in the business sphere is acceptable, but that it is for entities to decide whether to use such language or use the national language, and that this also has to do with company size. A number of experts outlined that the benefit of including non-structured information within ESAP is questionable – notably as regards comparability. Finally, a majority of experts thought that ESAP's essential function should be preferably one of storage of data, but a few experts could support the ESAP playing the role of disseminating information to the markets.

Meeting with the Financial Services User Group (FSUG)

FSUG members voiced that they have a strong interest in ESAP being implemented. They pointed that users include professional investors, but also retail investors which have different needs. Benefits could outweigh the costs for issuers and institutional investors but be costly for individual investors. It is also important to be cautious in transferring information into the ESAP project. On the language in ESAP, members indicated that it would be useful to have the information in English and in the national language. FISMA colleagues remarked that the ESAP could help individual investors via time saving less fees for data access. They added that there will be probably be a phasing in for the scope, including for voluntary filing by SMEs

Enquiring about the integrity of information supplied to ESAP, Members asked whether there will be some kind of indication whether the information has been independently verified by third parties including to avoid green washing. FISMA colleagues reminded that for this, the ESAP will mainly rely on EU legislation and that in any case, the primary emitters of information will remain responsible for its content. However the ESAP may include validation tools. Quality and traceability should be of the main components of ESAP. FSUG members added that the big weakness will be the disclaimers. They expressed their hope that the current administrative burden will be solved by ESAP. Members added that some data access threshold should probably be imposed (to prevent complete download of all information). One remarked that in many Member States, issuers of information have to pay to submit data and users have to pay to access the data and wondered whether this is this a lack of harmonisation at European level.

On governance and infrastructure, FISMA colleagues stated that stakeholders generally believed that one or several relevant European authority should be involved. FSUG members emphasized that the governance issue is essential and must be run along public standards.

Finally, enquired about the type of information that would be allowed on a voluntary basis in the ESAP, FISMA colleagues replied that discussion are ongoing and that the Commission is examining whether information similar to mandatory information and possibly other information such as in relation to supply chain for instance, could make sense.

High Level Forum on the CMU

The HLF CMU expert group was built on an ad hoc basis to advise the Commission on how to further progress to the CMU. On 10 June 2020 the High-Level Forum published its final report. It sets out 17 interconnected recommendations. In particular the CMU HLF recommends building the ESAP as one way to remove barriers in the EU's capital markets. The Commission also launched a call for feedback from stakeholders on the report that ended on 30 June. In this feedback, an overwhelming majority (all but two) of those who responded were in favour of the ESAP. Almost half of the respondents to the survey, however, provided no feedback or had no opinion. Proponents of the recommendation highlighted that access to free, objective company data in an aggregated manner was a serious challenge for investors. They therefore welcomed the idea of a European Single Access Point (ESAP) as a way to foster more investment opportunities. Many respondents referred specifically to the relevance of the ESAP for Environmental, Social and Governance (ESG) data. A large proportion of respondents mentioned the need for proportionality in and a careful cost-benefit analysis ahead of setting up the ESAP, in particular with respect to small and medium-sized enterprises (SMEs), as well as the relevance of a machine-readable format for all reporting requirements. A significant minority singled out the "file-only-once" principle and the single reporting channel as key, notably for entities operating on a cross-border basis and having to report to various authorities. The two respondents who disagreed with the recommendation were a public authority and a national banking association. They expressed concerns that the costs of the initiative could outweigh the benefits, referring both to the costs needed to set up the access point itself, and to costs that issuers would need to bear in order to comply with the platform's reporting requirements (e.g. using a machine-readable reporting format), especially for smaller entities. While one respondent criticised the proposed structure, whereby information would be supervised at national level but aggregated by ESMA, others found this element to be key.

ANNEX 5: BENCHMARKING – THE US EDGAR AND JAPANESE EDINET

U.S.A.

EDGAR stands for: **E**lectronic **D**ata **G**athering, **A**nalysis and **R**etrieval. Operational since: 1996

General information

The Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system is administered by the U.S. SEC's (Securities and Exchange Commission) EDGAR Business Office (EBO) and it is an important part of the agency's mission of protecting investors; maintaining fair, orderly, and efficient markets; and facilitating capital formation. The availability of accurate, complete, and timely information from EDGAR is essential to the SEC's mission and the investing public.

Data portal website: SEC.gov/edgar/searchedgar/companysearch.html

Data

Documents that are accessed using EDGAR and filed with the SEC include quarterly and annual corporate reports and financial statements. Annual Reports (Form 10-K) include company history, audited financial statements, a description of products and services, and an annual review of the organization, its operations, and the company's markets. Quarterly Reports (Form 10-Q) include unaudited financial statements and information about the company's operations in the previous three months.

Other reports that are often searched by investors are Registration Statements, which are required before stock can be sold to the public; Form 8-K, which discloses notable events such as bankruptcy; Forms 3 and 4, which contain ownership information; and Form 5, which reports transactions not reported on Form 4.[188]

Data is provided in various formats. The filers have the possibility to submit (over 700 supported types of disclosure documents). XBRL is the primary data source.[189]

Data submission

Private entities or companies with a standard business id (CIK) can apply for an account in EDGAR. Data dissemination is done by posting to sec.gov or via public dissemination service (PDS). EDGAR is a first source of information[190].

Access

Free for all. Current max request rate: 10 requests/second.[191]

Functionalities

A web portal for the filers where they can fill in forms. EDGAR also performs data validations.

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[188] Electronic Data Gathering, Analysis and Retrieval (EDGAR) (investopedia.com).
[189] Interview with EDGAR.
[190] Interview with EDGAR.
[191] SEC.gov | Accessing EDGAR Data.

Experiences and recommendations

- Better understanding of data providers and users
- Cloud based system
- Development as micro services
- Automated access process
- Filer support away from telephone
- Gather all your information and try to make it as simple as possible
- Costs will be proportionate to the system design
- Implementation big bang vs. phased in: developing in steps have worked well for us. Pick one member state to develop and to do a pilot with them
- A decentralised approach (national collection points) could imply further areas to address and complicate the system[192]

Governance model and stakeholder engagement

- The system is governed by SEC's EDGAR Business Office (EBO). All costs have covered by public budget.
- with new rule proposals there are public commenting periods
- external testing environment in development
- engaging some of the filers before introducing new features[193]

Development and maintenance costs

According to the interview with EDGAR the annual budget of about 12 million dollars for technologic development, infrastructure and licensing. EDGAR has a lot of shared costs among the agencies. Around 8 million dollars of the 12 million total is for development (this is the just for the normal development).

Screen capture of data presenting budget for EDGAR published in the SEC 2021 Budget[194]:

(DOLLARS IN THOUSANDS)	FY 2019 Actual	FY 2020 Enacted	FY 2021 Request
Full-Time Equivalents	36	32	33
Cost:			
Salaries and Benefits	$ 8,167	$ 8,737	$ 9,429
Non-Personnel Expenses	1,854	2,123	1,934
Total Costs	**$ 10,021**	**$ 10,861**	**$ 11,362**

Identification of filers

System account (id and password).

[192] Interview with EDGAR.
[193] Interview with EDGAR.
[194] Congressional Budget Justification Annual Performance Plan (sec.gov).

Filer and user statistics

Screen capture of the workload data from SEC 2021 Budget[195]:

Workload Data

Activity[1]	FY 2019 Actual	FY 2020 Estimate	FY 2021 Request
EDGAR Filings, Disclosure, and Review[2]			
Online Searches for EDGAR Filings (in millions)	24,317	25,532	26,809
Number of Electronic Filings Received (in millions)	1.9	2.0	2.0
EDGAR Business Owner/Program Office			
EDGAR Development Releases	4	3	4
EDGAR Infrastructure Releases	4	4	4
EDGAR Filer Manual Seriatim Updates	4	2	4
Technical Support – Internet and Email Inquiries	1,011	1,050	1,075
Assistance and Technical Support – Telephone Inquiries	80,122	82,500	85,000
EDGAR Form IDs Processed	73,460	75,650	77,900

JAPAN

EDINET stands for: Electronic Disclosure for Investors' NETwork. Operational since: 2001

General information

Description from public information and a voluntary interview: "EDINET is an electronic corporate disclosure system under the Financial Instruments and Exchange Act, and all listed or major fund-raising companies and investment funds in Japan are required to file their disclosure documents using the system. The corporate disclosure documents submitted by these entities are publicly available on the Internet through EDINET.

FSA continuously advances its efforts in relation to XBRL through various activities such as collaborative work aimed at achieving multinational interoperability together with IASCF (International Accounting Standards Committee Foundation) and US SEC (United States Securities and Exchange Commission)."[196] More information on the EDINET website[197].

Data

- Scope of data included[198]:
  - Annual Securities Report
  - Quarterly Securities Report
  - Semi-annual Securities Report
  - Extraordinary Report

[195] Congressional Budget Justification Annual Performance Plan (sec.gov).
[196] FSA launches new electronic corporate disclosure system (EDINET): FSA.
[197] EDINET (edinet-fsa.go.jp).
[198] EDINET (edinet-fsa.go.jp).

- Securities Registration Statement
- Shelf Registration Statement
- Shelf Registration Supplements
- Status Report of Parent Company, etc.
- Confirmation Letter
- Internal Control Report
- Report of Possession of Large Volume
- Share Buyback Report
- Tender Offer Notification
- Subject Company's Position Statement
- Tender Offeror's Answer
- Tender Offer Report
- Written Withdrawal of Tender Offer

All filers are, in principle, mandated to submit in XBRL (eXtensible Business Reporting Language) format the financial statements included in their Annual Securities Reports, Semi-annual Securities Reports, Quarterly Securities Reports and Securities Registration Statements for fiscal years starting in or after April 2008. Quarterly Securities Reports for the first fiscal quarter ending June 2008 will be the first filing in XBRL format.

The financial statements in XBRL format are to be prepared using "EDINET Taxonomy" (Japanese GAAP taxonomy), the final version of which was published in February 8, 2008. Most documents such as Annual Securities Reports are provided in Inline XBRL format and PDF format, while some documents are provided only in PDF format.

No voluntary filings, only regulated ones collected.

Data submission

In principle, reports are submitted by uploading files to EDINET. As for the Report of Possession Large Volume, file uploads and online forms are provided because individual investors may submit the report.

Access

EDINET is available to everyone for free. The information published on EDINET is available for commercial use if it does not infringe the rights of third parties and the source is stated. Mass access may be restricted in order to prevent improper loading of the system.

EDINET provides the ability to view and download the submitted disclosure documents. Please visit the following site: https://disclosure.edinet-fsa.go.jp/EKW0EZ1001.html?lgKbn=1&dflg=0&iflg=0

In addition, from March 2019, we are providing a function to download the data of submitted disclosure documents via an open API.

Functionalities

A web portal for the filers where they can fill in forms. The submitted documents are stored in Inline XBRL format, and viewers can confirm the contents of the submitted documents with their browsers. The submitted documents are also converted into PDF format and provided to viewers.

Security measures are implemented against unauthorized access and encryption of communications with EDINET.

EDINET executes a validation check of the submitted data at the time of submission. If a validation error is found, the document cannot be submitted and the preparer needs to correct the error and re-upload the document.

Batch download for reports provided.

Experiences and recommendations

Number of visits to the EDINET is approximately 300 million per year. We have achieved our target of at least 99.9% utilization rate (2020 fiscal years), making it an important market infrastructure.

EDINET began operating about 20 years ago. Compared with that time, information technology has advanced remarkably now. EDINET has been developed (e.g., introduce XBRL, enhance security, implement Open API, etc.) step by step along with these advances. If we were going to start developing EDINET now, we would use cloud services to implement the functions.

Governance model and stakeholder engagement

The FSA manages and operates the system and entrusts operating support to entities of the private sector. All costs have covered by the national budget.

At the meetings on the disclosure system hosted by the FSA, they sometimes discuss improving the convenience of EDINET. For example, we settled stakeholder dialogues among stock exchanges, National Tax Agency, FASF, Bank of Japan, Japan Business Federation, JICPA, Japan Securities Analysts Association, and Japan Securities Industry Association. In addition, the Technical working Groups are held between the FSA and persons in charge of practical operations at the submitting company. Beside this, the FSA officers engaged in EDINET sometimes interview with users regarding usability.

At the Financial System Council held from November 1995 to June 1996, proposals were made on the digitalization of disclosure and developing EDINET by the government. Subsequently, in March 2000, the amendment of Financial Instruments and Exchange Act was submitted, providing for procedures for digitization of disclosure, and was enacted in May of the same year. Thus, it took five years to implement the legal framework of the governance model.

Development and maintenance costs

The initial implementation cost (development and design costs) for EDINET is approximately 22.6 million euros (3 billion yen).

The operation and maintenance costs of the current EDINET (excluding the purchase of equipment and software) are approximately 3 million euros (400 million yen) per year.

Identification of filers

System account (id and password).

Filer and user statistics

Filers: Listed companies, unlisted companies (companies expecting IPO, OTC stock, entities issuing stock certificates with 1000 or more owners, bonds solicited more than 100 million Yen or 50 people), funds, institutional investors and individual investors are able to submit reports on EDINET.

Approximately 5 000 companies and 3 000 investment funds is to be filed and available for public in XBRL format through EDINET.[199]

The number of accesses to the browsing site is approximately 300 million (2020 fiscal year).

[199] FSA launches new electronic corporate disclosure system (EDINET) : FSA.

ANNEX 6: Users

This annex contains a discussion about users of information in the ESAP in the sense of potential users of ESAP. It does not seek to pre-empt all would be users or types of use, nor to provide an exhaustive overview of those, but aims to examine some key intended types of users based on consultation.

In the context of the CMU Action Plan, Sustainable Finance Renewed Strategy and Digital Finance Strategy, the ESAP would aim to satisfy primarily the needs of investors and to foster more innovative products for consumers and businesses. However other types of users may see interest in a better access to digital information.

Large / professional investors

Investors may be of various sizes, types, and with varied interest in information. Large professional investors (institutional investors, large funds of all types, banks, insurance entities, financial institutions, entities, advisors and analysts) have generally indicated at consultation stage utmost interest in ESG/sustainability reporting, annual/semi-annual financial statements, acquisitions or disposal of major holdings of equities, management reports, audit reports as well as SME data.

A prominent class of stakeholders are the 'financial market participants' and 'financial advisers' impacted by the sustainable finance agenda. According to the SFDR[200], financial market participants are entities offering financial products where they manage clients' money, for instance where they manufacture financial products, i.e. an insurance undertaking which makes available an insurance- based investment product, an investment firm which provides portfolio management, an institution for occupational retirement provision (IORP), a manufacturer of a pension product, an alternative investment fund manager (AIFM), a pan-European personal pension product (PEPP) provider, a manager of a qualifying venture capital fund [...], a manager of a qualifying social entrepreneurship fund, a management company of an undertaking for collective investment in transferable securities (UCITS management company) or a credit institution which provides portfolio management. Financial advisers are also impacted where they provide investment advice or insurance advice, and include an insurance intermediary which provides insurance advice with regard to insurance- based investment products, an insurance undertaking which provides insurance advice with regard to insurance- based investment products, a credit institution which provides investment advice, an investment firm which provides investment advice, an AIFM which provides investment advice or a UCITS management company which provides investment advice.

Financial market participants and financial advisers must disclose specific information regarding their approaches to the integration of sustainability risks and the consideration of adverse sustainability impacts when they market products labelled as sustainable. For that matter, in order to get easier access to ESG information, information is required from companies by Article 8 of the Taxonomy Regulation[201] to assist market participants and advisers in fulfilling these new regulatory obligations.

[200] In particular Regulation (EU) 2019/2088 on sustainability- related disclosures in the financial services sector, known as the "Sustainable Finance Disclosure Regulation (SFDR)".

[201] Regulation (EU) 2020/852. Article 8 of the Taxonomy Regulation requires financial and non-financial organisations covered by the Non-Financial Reporting Directive (NFRD) to report on how, and to what extent,

Certain large investors and market participants, such as analysts, can be only users of information. Others can be also preparers of information. These are generally entities in the banking, financial and insurance sectors, investment firms, market infrastructure entities.

Professional investors report overall material search and processing costs. This is due to the fact that information is currently stored in multiple formats in different places, which makes access costly and cumbersome, a situation exacerbated for ESG data. Professional investors supported massively APIs as a way to get information, and could afford to deal with different formats, including machine readable formats that are less machine readable (CSV, XML). Nearly all use the services of data aggregators.

Data Service providers

Data service providers are in the business of collecting and disseminating data packaged with certain services to their customers and can be seen as a particular type of professional users of data, and noticeably data aggregators. Services can be very varied in relation to financial markets, including analytics and intelligence, credit rating / referencing, delivering news and market information, etc. Sourcing information is a key and resource intensive component of their activities, hence their interest in getting easier access by e.g. a single access point to information related financial services and markets.

All data service providers report material (high) access and processing costs due to missing machine-readable information and the multiple access points (e.g. registers or companies' websites) but very few provided concrete amounts or concrete expectations of the potential for ESAP to reduce these costs. Nearly all report barriers in accessing information where one of the main difficulties is the lack of standardised access, a lack of a single access point and a lack of machine readable formats and standardised taxonomies, as well as usage restricted by legal constraint. Here again, access to ESG information is key. Most support access via APIs, and the ESEF format (positions more contrasted as regards other formats).

Retail investors

As non-professional investors, retail investors do not always have capacity in addressing large amounts or sophisticated raw information. During consultation, the sentiment was that access and processing costs were overall less material than for professional investors but some nevertheless regretted to have to pay a fee to access information – about half reported using the services of data aggregators. Other barriers (lack of clarity / reliability of information, lack of digital usability of content) were generally reported, largely similar to those reported by professional investors. Retail investors showed interest during consultation in gaining easier access to information. For instance more than 50% found it highly interesting to access product-related information such as Key Information Documents (compared to 20% for professional investors) and to ESG information (compared to 75% for professional investors). Most supported action on formats (e.g. ESEF which is both human and machine readable) and/or metadata to enable a better comparison of information, but there was far less support for APIs than professional investors.

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their activities are "associated with" environmentally sustainable economic activities, through key performance indicators (KPIs) related to turnover, capital expenditure (CapEx) and operational expenditure (OpEx). The EU Taxonomy Article 8 disclosures delegated act specifies the content, methodology, and presentation of information to be disclosed by both non-financial and financial undertakings.

Other users

There is a wide array of organisations with interest in information relating to financial services and markets. Respondents to Commission consultation included inter alia NGOs (corporate research, sustainability), consumer organisations, unions, academics, software vendors.

In addition, national and EU public bodies also appeared as a particular class of users of information. As such, when being in the position of users, they expressed interested in accessing information in the ESAP for e.g. statistical, supervisory or other public-interest purposes.

ANNEX 7: SMEs

I. Different Small and medium-sized enterprises (SMEs) definitions coexists:

(i) in the EU recommendation 2003/361

Company category	Staff headcount	Turnover	or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

(ii) in the Accounting Directive (DIRECTIVE 2013/34/EU)

Small undertakings shall be undertakings which on their balance sheet dates do not exceed the limits of at least two of the three following criteria:

(a) balance sheet total: EUR 4 000 000;

(b) net turnover: EUR 8 000 000;

(c) average number of employees during the financial year: 50.

Member States may define thresholds exceeding the thresholds in points (a) and (b) of the first subparagraph. However, the thresholds shall not exceed EUR 6 000 000 for the balance sheet total and EUR 12 000 000 for the net turnover.

iii) in the MIFID (DIRECTIVE 2014/65/EU)

'small and medium-sized enterprises' for the purposes of this Directive, means companies that had an average market capitalisation of less than EUR 200 000 000 on the basis of end-year quotes for the previous three calendar years;

II. Context

EU Member States and EU-level agencies have launched several initiatives, aiming at facilitating SMEs growth and access to financing, including access to market-based financing. These include initiatives such as growth/junior stock markets, crowdfunding platforms and financing programs conducted at the EU level such as COSME Equity Facility for Growth. These initiatives (national and cross-border) are aiming at collecting information on and from SMEs who seek market-based financing or capital-raising options.

In addition, some sets of data are collected from entities at national level (i.e. public business registries), hence, the landscape of Small and medium-sized enterprises (SMEs) and non-listed entities data is varied, however scattered across Member States.

Potential investors searching for investment opportunities (i.e. due to a lack of SME research[202]) in SMEs struggle to easily access this great variety of data (as some are either

[202] https://ec.europa.eu/info/news/cmu-high-level-forum-final-report_en.

publicly available or with restricted access options, free of charge or not). The latter is detrimental especially to growth of cross-border investment and inclusion of less developed local markets to create a level playing field in line with the Capital Markets Union objectives set for Europe. Particularly as there may be considerable differences in the level of maturity of local markets in Member States both in terms of existing initiatives as well as data standardisation and digitisation of disclosures collected from SMEs. As indicated in research studies[203], such as *SME access to market-based finance across Eurozone countries* (2019) developing the index of market suitability (percentage of firms potentially fit for market-based finance), the potential of SMEs to benefit from capital market financing is realised in some Eurozone countries, whereas for a considerable portion of firms that are assessed as fit for market-based finance this potential remains unexploited.

The voluntary inclusion of SMEs' and non-listed entities' data in the European Single Access Point (ESAP) is being assessed to further promote and advance wide participation in the common EU market.

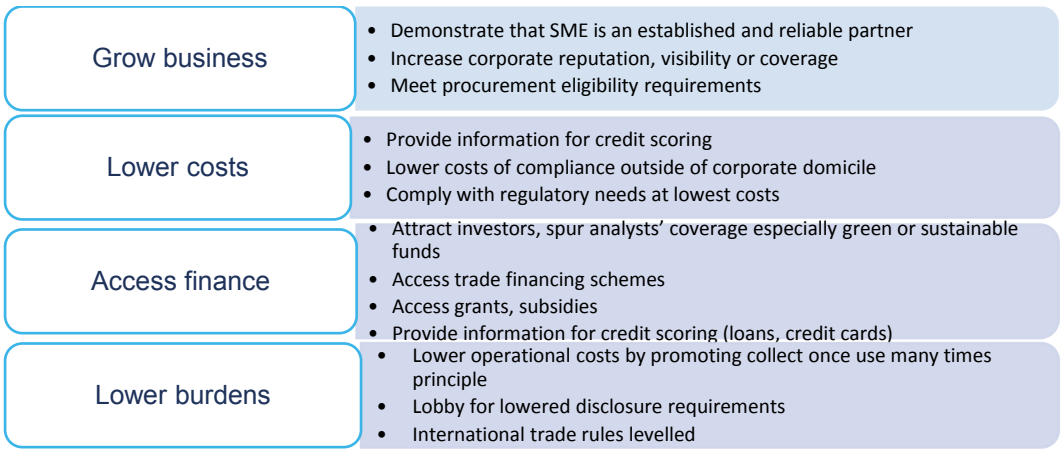
III. How can the ESAP be of assistance to SMEs

Several scenarios could be envisaged to leverage and re-use existing data disclosures and maximise interest of SMEs to opt in the ESAP.

Selected use cases and scenarios:

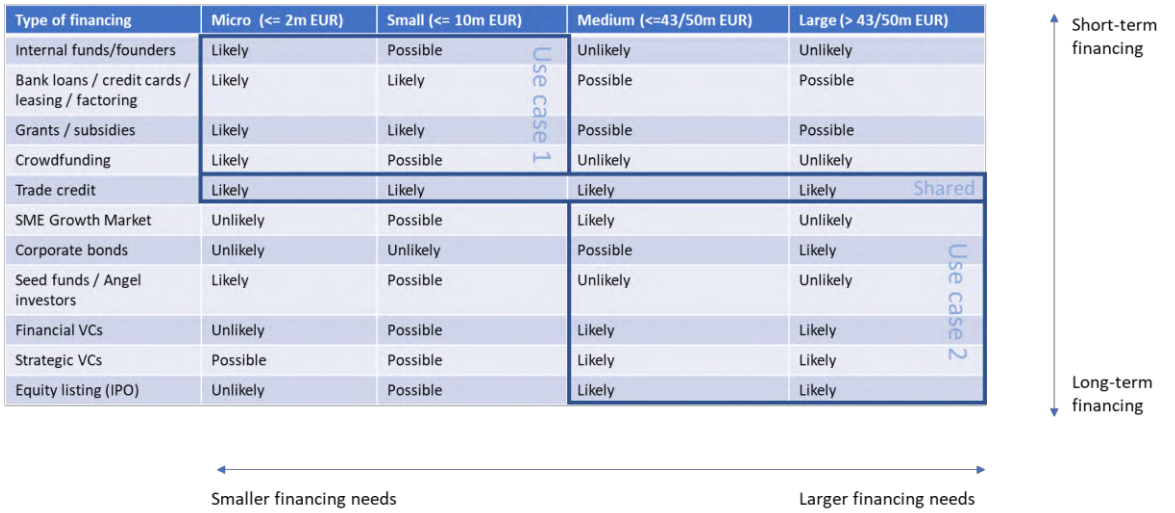
- Micro company / start-up – not-listed on any unregulated market, located in less advanced local market, seeking capital for growth
- Larger company (still SME), listed on selected local stock market registered as SME GM or on Euronext Access) seeking international business partners and to further internationalise.

The SMEs may be driven by the following motivations:



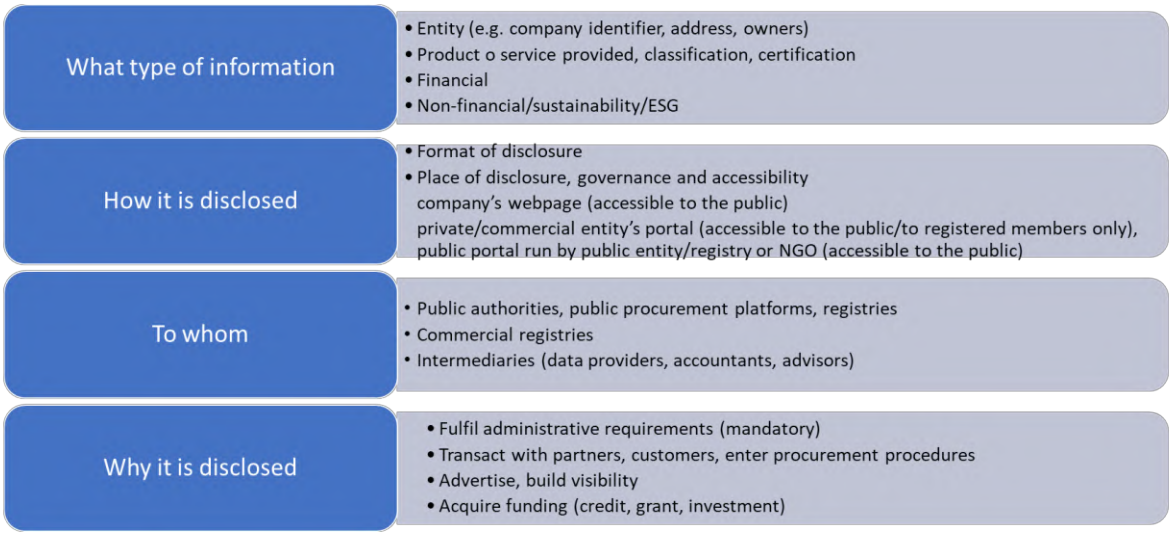
The interest of SMEs in different financing options may be driven by at least a combination of the size of the entity and the volume of financing sought. Therefore, we propose to focus on use cases in areas of higher likelihood of attraction as illustrated on the matrix.

[203] 00*SME access to market-based finance across Eurozone countries*, Small Business Economics (2019) https://link.springer.com/article/10.1007/s11187-019-00285-z.



SME data landscape: Company data landscape is already rich for SMEs and non-listed entities with publicly available data or sitting in existing registries that could share / submitted to ESAP (re-use). It is difficult to access and compare public disclosures made in different Member States as there is no cross-border service to facilitate that, either collecting or linking to data. Therefore, accessing the SME data for the purpose of investment decision-making is still limited. The following datasets to be considered for SMEs:

- Data collected by SME Growth Markets, free markets (Euronext Access, Access+) and crowdfunding or investor platforms as examples of market-based financing platforms and ones that are either specifically addressed to SMEs or entities not listed on main regulated market and start-ups that are a subset of small entities and ones seen as most likely to vigorously seek capital raising opportunities;
- Data collected by EU agencies leading EU public procurement, funding or visibility events, in particular those specifically addressed to SMEs;
- Data collected in selected Member States and held in national company registers, made available as open data or otherwise (best practices drawn upon examples in Member States where structured, machine-readable, standard business reporting has been adopted by SMEs/non-listed entities);
- Sustainability-related data: existing schemes promoting sustainability disclosures regardless of company size and possibly data disclosures in supply chain (according to industry, product/service requirements) and other (verified the coverage of SMEs and non-listed entities by existing or currently reviewed frameworks – NFRD, sustainability related regulations from Subtask 1: Regulation (EU) 2019/2088, Regulation (EU) 2020/852.



IV. Principles about "voluntary information" which will be disclosed on ESAP

For the purpose of this impact assessment, "voluntary information" means information relevant for financial markets that EU/third-country entities in the scope of the EU financial markets law publish on a voluntary basis or in any case beyond EU requirements[204].

The scope of voluntary information which will be part of the ESAP along with their possible identified areas for standardisation will be either addressed at level 2 or by the ESAP governing body. However, an assessment has been conducted hereunder on the possible scope and its standardisation.

1.1. Scope of possible "voluntary information" relevant for financial markets that EU entities, notably SMEs, publish on a voluntary basis or in any case beyond the specific EU requirements

On different maturity levels entities, including SMEs, are subject to various disclosure requirements or choose to grow in a manner that triggers information and reporting obligations.

Small entities in Europe fall under different disclosure regimes according to its location (Member State jurisdiction, national laws), legal personality and type of service or product provided and other criteria.

Scanning the landscape of data disclosures by entities, including SMEs and non-listed entities, **12 national registries collecting and storing company data have been examined**. Similarly, 13 investment platforms have been looked at. Additionally, 6 sample applications filled in by entities taking part in public procurement European procedures and grant or other financing schemes have been analysed.

The following information has been researched:

[204] E.g. publication of quarterly reporting by EU/third country entities listed on the EU regulated markets; publication of ESG by non-listed SMEs.

- Owner of the database
- Place of disclosure (website, searchable platform)
- Format of disclosure
- Type and scope of financial and non-financial information
- Accessibility (public or restricted access to information, paid or free)
- Language of disclosure

The summary below shows data formats as well as similarities in data disclosures in the researched sources.

Data formats similarities and differences in data disclosures in the researched sources

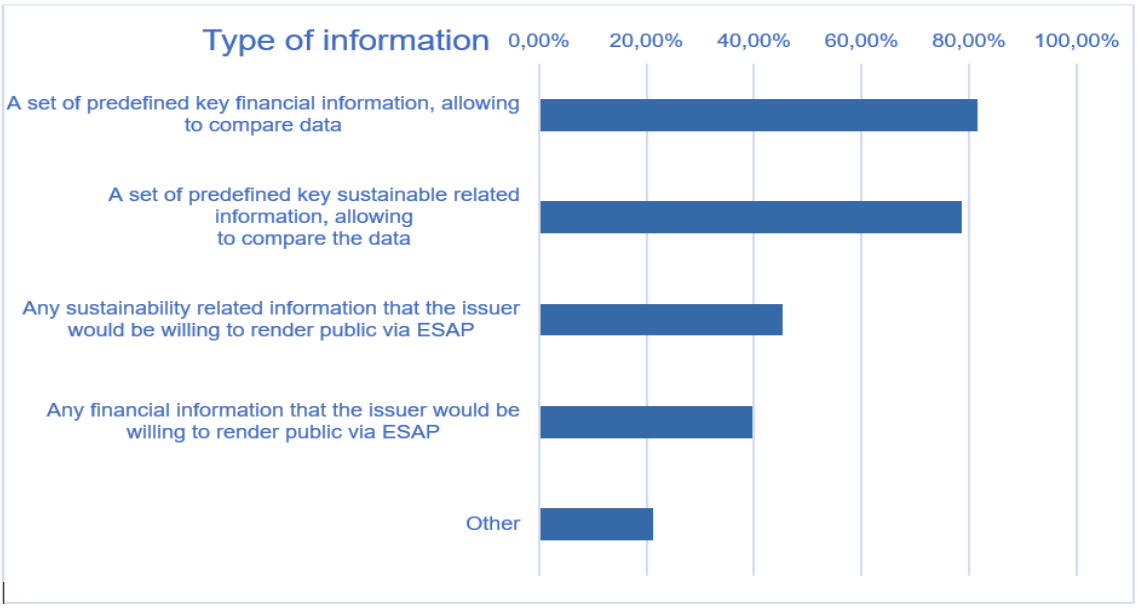
	Investment platforms	National registries
Format of data disclosed	• online form to fill • application via e-mail	• HTML • svg • pdf • XBRL • xml • iXBRL • png • inline
Similarities in disclosures – most frequently found commonalities in data disclosures	• Address • Business register • Company identifiers (LEI and other official company numbers) • Contact details • Country • Date of commencement of business • Date of company foundation • Legal form	• Municipality • Name • Owners directors and Managers • Ownership • Area of operation • Form of ownership • Industry • Industry codes • Annual reports
Other data fields - differences in disclosures	• Amount raised for funding • Agency ratings • Amount of capital sought • Business model • Company description • Company's investment deck • Corporate actions • Corporate structures • Costs assets • E-mail address • Female on senior management team (yes/no) • Financial risks • Funding type according to the area in which the company intends to develop • Fundraising stage • Growth prospects	• Articles of association • Associations • Certificate of registration • Certificates of pension insurances • Churches government offices • Commercial register • Cooperative registers • Date of registration in the Register of Entrepreneurs • Entries in the Court and Economic Monitor • Expanded business information • Financial statements • Financial statements according to the Finnish GAAP or IFRS

	• Interest rate • Investment range • Investor role • Level of advancement • Linkedin • M&A deals • Market analysis • Market position of the company • Members council • Patents and IPR • Pitch • Pitch deck • Projected financials • Reimbursement frequency • Reimbursement type • Revenue for last 12 months • Rising in total • Royalty agreements • Stage • Standardised financials • Stock data • Team overview • This year revenue • Trade descriptions • Website	• Historical basic data • History of beneficial owners • Indication of activities (NACE) • Insolvency notices • Key individuals and auditor • Name of the representative body • Number of employees • Other trading names • Owners' associations • Partnership register • Polish Classification of Activities • Power to bind • Production units • Register of associations • Registered office • Registration authority • Registration history • Report on the organization of occupational health care • Report on the organization of statutory accident insurance in the construction sector • Sole traders • Tax Debt Information • The printout of the history of registry card information in Estonian / English • The printout of valid registry card information in Estonian / English (free) • Trade register extract

Source BR-AG

1.2. Stakeholder feedback from the ESAP targeted consultation stressed that SME data should be included in ESAP.

Question 18: What type of information should be disclosed on a voluntary basis?



1.3. Possible identified areas for standardisation

In the course of research and consultation the following SME-relevant information has been identified to be rendered comparable on a cross-border basis:

- Financial information
- Sustainability-related data disclosures
- Entity identification
- Data format
- Metadata

➢ Financial information:

Accounting laws and principles applied across the EU Member States vary, even though some countries rely on similar rules (e.g., Standard Business Reporting, local GAAPs convergence with IFRS). This means that the data reported e.g., in annual financial statements being drafted according to national rules may never be fully comparable as long as the overarching regulation is not harmonized.

➢ Sustainability-related data disclosures:

To provide an overview of the existing sustainability-related data disclosure requirements or schemes as may apply to SMEs and non-listed entities in the EU, relevant regulatory frameworks or legislative proposals have been analysed. Additionally, examples of national or industry-driven initiatives are presented.

Considering the EU legislation, the following regulations and directives have been researched and marked in terms of applicability to SMEs:

Table 4 Regulations and directives applicable to SMEs

EU legislation	Detailed reference	SME excluded
EU Taxonomy regulation	(EU) 2020/852	No
Sustainable Finance Disclosure Regulation (SFDR)	(EU) 2019/2088	No
Corporate Sustainability Reporting Directive (CSRD) proposal to extend reporting requirements to include listed SMEs, with the exception of listed micro-enterprises	Proposal for a directive of the European Parliament and of the Council amending Directive 2013/34/EU, Directive 2004/109/EC Directive 2006/43/EC and Regulation (EU) No 537/2014, as regards corporate sustainability reporting	No
Non-Financial Reporting Directive (NFRD)	2014/95/EU	Yes

Source BR-AG

So far SMEs and non-listed entities have not been in focus in the existing legislation. In the EU Taxonomy Regulation and CSRD it is stated that SMEs[205] may report on voluntary basis. Where there is no direct exclusion of SMEs from obligations listed in legislation (e.g. SFDR), specific clauses point for example that SMEs listed on regulated market shall report similarly to large entities.

- Entity identification:

Entity identification data in the researched schemes has been examined, including the search for common identifiers and potential for standardisation looking at: (a) national identifiers – company identifiers as used in individual member states (varying considerably); (b) European identifiers; (c) international legal entity identifier.

- Data formats:

The format in which data is reported and/or published directly affects not only the usability of the data by humans but also its potential for machine-readability and thus better integration with search and analytics tools. The data formats range from scanned paper documents to highly structuralized data. Even for the most structural data there are many challenges to use or to understand the data as there are typically customized reporting taxonomies used in each country that reflect their national GAAPs.

One of the machine-readable standards that is already used in some of the researched schemes is XBRL (eXtensible Business reporting Language). It provides a mechanism to define human readable labels in any number of languages for a given taxonomy. This enables to view the reported data in any of the supported languages in a click of a button. However, it is seldom that all languages (e.g., all languages of the EU Member States) would be included in a single taxonomy. Typically, a taxonomy defined to reflect national reporting requirements would contain labels in the local language and a one or two most relevant

[205] *CSRD: reporting on voluntary basis includes non-listed SMEs (while SMEs listed on regulated markets would be required to use these proportionate standards).*

languages from the perspective of a given country. An illustrative example would be the Danish GAAP taxonomy which contains labels in Danish and in English[206].

It can be assumed that data extractable formats will be required to ensure comparability of the information along with an effective search function.

- Metadata:

One of the main challenges for the users of the SME data was to find the data searched. Metadata of the SME reports might be harder to obtain than in the case of listed entities for instance as the consumption of the data is not as mature and the source data repositories are very dispersed and not regulated on any EU level.
Identifying a set of standardised predefined KPIs as metadata would be one of the options for phased standardisation. It should be noted though that this would require either the data preparers to manually insert this data with some user interface and thus could add to their reporting burden. This would also pose a risk for errors in the inserted data and its interpretation on the SME side. Another option is an automated way of extraction of the data done by a local data repository or by ESAP. Both of which would require some effort and include risks of creating false data that might lead to liability issues. Automated extraction of this data is also not easily achievable for many local data registries as they might only have the data in non-searchable format like scanned PDFs.

It can be assumed that on a minimal level metadata will be required such as the local entity identifier, reporting period and report type to ensure comparability of the information along with an effective search function.

[206] *Public Hearing - Balance (beretningsform), resultatopgørelse (artsopdelt) (EogS - klasse B, C og koncern (08-11-2010)) (corefiling.com).*

ANNEX 8: UNION STRATEGIES IN RELATION TO ESAP

Initiative	Owner	Brief description	Relation with ESAP
The Tallinn Declaration	Council of the European Union	Under the auspices of the Estonian presidency of the Council of the European Union, the Ministers of the 28 EU countries signed and released on 6 October 2017 the Tallinn Declaration on eGovernment. It aims for high quality, user-centric digital public services for citizens and seamless cross-border public services for businesses along six lines for policy action: 1/ digital-by-default, inclusiveness and accessibility; 2/ file only once 3/ trustworthiness and security 4/ openness and transparency 5/ interoperability by default and 6/ horizontal enabling policy steps.	The ESAP will contribute to the eGovernment strategy by delivering a new user centric high quality and cross border service to citizens by enabling central access to data currently stored by certain national public registers and beyond, and by facilitating data use and re-use.
A European strategy for data	Commission (CNECT)	In its Communication of February 2020, the Commission outlines its strategy to make the EU a leader in a data-driven society. Creating a single market for data will allow it to flow freely within the EU and across sectors for the benefit of businesses, researchers and public administrations.	ESAP will be a pillar of the Financial Common Shared Data Spaces. As such, it will contribute to implementing the strategy. Likewise, the ESAP may benefit from funding opportunities offered by the strategy.
CMU Action Plan	Commission (FISMA)	The CMU is the EU's plan to create a truly single market for capital across the EU. It aims to get investment and savings flowing across all Member States, benefiting citizens, investors and entities, regardless of where they are located. A fully functioning and integrated market for capital will allow the EU's economy to grow in a sustainable way and be more competitive.	The ESAP is Action #1 of the CMU Action Plan.
Digital Finance Strategy	Commission (FISMA)	The digital finance strategy sets out general lines on how Europe can support the digital transformation of finance in the coming years, while regulating its risks. The strategy sets out four main priorities: removing fragmentation in the Digital Single Market, adapting the EU regulatory framework to facilitate digital innovation, promoting a data-driven finance and addressing the challenges and risks with digital transformation, including enhancing the digital operational resilience of the financial system.	The ESAP will contribute to ensuring that publicly disclosed information is available in standardised and machine-readable formats / to set up an EU-funded infrastructure for public disclosure. In this way, the ESAP will contribute to the strategy's objective of facilitating real-time digital access to all regulated financial information.

Supervisory Data Strategy	Commission (FISMA)	Supervision of the EU financial system relies on data that is timely, relevant and of high quality. The volume and complexity of the data required to oversee the financial system have grown substantially over the last decade. In parallel, there has been a rapid evolution of digital technologies to collect and analyse such data. The supervisory reporting framework and the way authorities collect and use data needs to keep pace with these developments.	Depending on the scope and ambition of the ESAP, the Strategy may have spill over effects as regards mainly the development of taxonomies/data dictionaries and reporting templates in the area of supervisory reporting.
Strategy for Financing the Transition to a Sustainable Economy	Commission (FISMA)	The strategy is a comprehensive package of measures to help improve the flow of money towards financing the transition to a sustainable economy. By enabling investors to re-orient investments towards more sustainable technologies and businesses, these measures will be instrumental in reaching our climate and environmental targets. They will make the EU a global leader in setting standards for sustainable finance. In particular it addresses four number of areas: transition finance, inclusiveness, resilience and contribution of the financial system and global ambition.	By including sustainability-related information in the European Single Access Point (ESAP) and the Open Finance Framework, this will help to unleash the potential that Digital technologies can provide in essential solutions for citizens, investors and SMEs to carry out their transition to sustainability. The ESAP will contribute to enabling innovative solutions to help SMEs use digital sustainable finance tools and to support retail investors' understanding of the sustainability impact of financial products.

ANNEX 9: LIST OF RELEVANT EU LEGAL ACTS AND CATEGORISATION OF THE INFORMATION - OPEN PUBLIC REPORTING OBLIGATIONS

INFORMATION TYPE								
	ENTITIES IN THE ESAP	ISSUER	Entity and Product	Entity	Product	Other	Total	Baseline Coverage
LEGISLATION								
Accounting Directive (including Corporate Sustainability Reporting (CSR), audit report, Country-by-country reports)	Limited liability entities preparing CSR: 49 132 / preparing CBCR: 600	Limited liability entities that prepare a CSR and/or a country-by-country report		3			3	Medium
Audit Regulation (e.g. auditor transparency reports)	EU registered statutory auditors (unknown) and audit firms 1070	Audit firms auditing a public-Interest Entity		1			1	Low
BenchMarks Regulation (sustainability benchmarking information)	Benchmark administrators - 80	Administrator (entity)	2	16		1	19	Low
BRRD (e.g. information on the group financial support agreement)	Certain Credit Institution (CRR) and Investment Firm (MIFID/MIFIR) - 22460	Group entity		1			1	Low
Covered bonds Directive (e.g. information on the cover pool)	Credit institutions in EU with branches – 5100	Credit institution	1				1	Low
CRAR (e.g. transparency report)	Credit Rating Agencies (CRAs) -42	Credit Rating Agencies		11			11	Low
CRR (e.g. prudential information, stress test results)	Credit institutions in EU – 4776	Investment firm, Credit institution (all size)		30			30	Low
CSDR (e.g. governance arrangements)	Central Securities Depositories (CSDs) – 26	Central Securities Depositories		10		2	12	Low

ELTIF (e.g. fund-related information)	Authorised European long- term investment funds (ELTIFs) – 33	Long Term Investment Funds	1				1	Low
EMIR (e.g. prices and fees of services provided, risk management model)	CCPs in EU - 13 Trade Repository - 10	CCP Trade Repositories		8		4	12	Low
EuSEF (e.g. fund-related information)	Managers of Social Entrepreneurship Funds – 10	EuSEF	1	1			2	Low
EuVECA (e.g. fund-related information)	European Venture Capital Funds - 170	EuVECA	1	1			2	Low
FICOD (e.g. corporate structure of the conglomerate)	Financial Conglomerates - 66	Financial Conglomerate		1			1	Low
IFD (e.g. aggregated information on high-earners, remuneration arrangements)	MiFID Investment firms 6.500 actives	Investment firms		3			3	Low
IFR (e.g. aggregated information on high-earners, remuneration arrangements)	MiFID Investment firms 6.500 actives	Investment firms		1			1	Low
IORP II (e.g. remuneration policy)	Register of Institutions for Occupational Retirement Provision – 3800	Institutions for Occupational Retirement		3	1		4	Low
Market Abuse Regulation (e.g. inside information)	MiFID Investment firms + issuers - 22460	Investment firms Issuers	1	5			6	Medium
MIFID II (e.g. volume and price of certain transactions)	MiFID Investment firms – 6500 + 1500 SMEs listed on the SME Growth Market	Investment firms	3	9		2	14	Low
MIFIR (e.g. volume and price of certain transactions)	MiFID Investment firms – 6500	Investment firms (	12	2			14	Low

MMF (e.g. prospectus)	Register of authorised Money Market Funds - 493	Money Market Funds		5			5	Low
PEPP (e.g. key information document)	PEPP provider – 65	PEPP provider			2		2	Low
Prospectus Regulation (e.g. Prospectus, Universal Registration Document, SME Growth Markets-information)	Entities filing a prospectus (point of reference: 2019): 2 744	Issuers	5				5	High
PRIIPs (e.g. key information document)	Fund managers (UCITS + retail AIFs) = about 1500 Insurance distributors = about 7000 Banks = about 6000, Issuers of bonds = roughly the number of companies covered by NFRD = about 11700 **Total about 25000**	PRIIP manufacturer			1		1	Low
REMIT (e.g. inside information)	Registered market participant > 15 000	Market participant		1			1	Low
SFTR (e.g. aggregate positions)	SFTR trade repositories - 4	Trade Repositories		1			1	High
Shareholders rights (e.g. Remuneration Report)	4200	Issuer		11		1	12	Low
Solvency II (e.g. solvency and financial condition report)	Insurance undertakings - 3172	Insurance undertaking (all sizes)		5			5	Low
Short Selling Regulation (e.g. net short position)	Case by case	legal/natural person		1			1	Medium
Taxonomy Regulation (e.g. measurable carbon emission	49000 under CSRD	Market participants: fund managers,	7	4			11	Low

reduction, sustainability risks integration policies)		financial advisors, entities						
Take-over bid (e.g. entities' capital and shareholders, voting rights, governance...)	Included in the management reports	Offeror		3			3	High
Transparency Directive (e.g. annual/half yearly financial reports, acquisition or disposal of major holdings)	4200	Issuers		8			8	High
UCITS (e.g. key investor information)	UCITS funds in the EU - 29000	UCITS	1	2	2		5	Low
Total			**35**	**147**	**6**	**10**	**198**	
				35	**35**	**0**		
				182	**41**	**10**	**233**	

ANNEX 10: NATIONAL COMPETENT AUTHORITIES, OAMS AND BUSINESS REGISTERS PER MEMBER STATE

Competent Authorities	EIOPA	EBA	ESMA	OAMs	Business Register
Austria	Financial Market Authority (FMA)	Financial Market Authority (FMA)	Financial Market Authority (FMA)	OeKB	Commercial register (Firmenbuch) + document archive (Urkundensammlung) kept by the Ministry of Justice
Belgium	Financial Services and Markets Authority (FSMA)	National Bank of Belgium	Financial Services and Markets Authority (FSMA)	Financial Services and Markets Authority (FSMA)	Business Hub Database (CBE/KBO) managed by an office in the Federal Department of the Economy
Bulgaria	Financial Supervision Commission	Bulgarian National Bank	Financial Supervision Commission	Financial Supervision Commission	Bulgarian Registry Agency administered by the Registry Agency attached to the Ministry of Justice.
Croatia	Croatian Financial Services Supervisory Agency (HANFA)	Croatian National Bank for credit institutions and Croatian Financial Services Supervisory Agency for investment firms	Croatian Financial Services Supervisory Agency (HANFA)	Croatian Financial Services Supervisory Agency (HANFA)	Court register (Sudski registar) managed by the commercial courts (trgovački sudovi)
Cyprus	Registrar of Occupational Retirement Benefit Funds – Ministry of labour, welfare and social insurance	Central Bank of Cyprus	Cyprus Securities and Exchange Commossion(CySEC)	Stock Exchange	Department of the Registrar of Entities and Official Receiver (DRCOR) of the Ministry of Energy, Commerce, Industry and Tourism
Czech Republic	Czech National Bank	Czech National Bank	Czech National Bank	Czech National Bank	Czech public register kept by the registration court and administered by the Ministry of Justice
Denmark	Danish Financial Supervisory Authority	Danish Financial Supervisory Authority	Danish Financial Supervisory Authority	Danish Financial Supervisory Authority	Danish Business Authority
Estonia	Estonian Financial Supervision Authority	Estonian Financial Supervision Authority	Estonian Financial Supervision Authority	Estonian Financial Supervision Authority	Estonian commercial register

Finland	The Finnish Financial Supervisory Authority (FIN-FSA)	The Finnish Financial Supervisory Authority (FIN-FSA)	The Finnish Financial Supervisory Authority (FIN-FSA)	Stock Exchange	National Board of Patents and Registration (NBPR)
France	Autorité de Contrôle Prudentiel et de Résolution (ACPR)	Autorité de Contrôle Prudentiel et de Résolution (ACPR)	Autorité des Marchés Financiers (AMF)	Official Journal	National business and entities register (registre national du commerce et des sociétés - RNCS) kept by the National Institute for Industrial Property (Institut National de la Propriété Industrielle - INPI)
Germany	Bundesanstalt fur Finanzdienstleistungsaufsicht (BaFin)	Bundesanstalt fur Finanzdienstleistungsaufsicht (BaFin)	Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)	Company Register	German Commercial Register (Handelsregister) portal is run by the Ministry of Justice of the federal state of North Rhine-Westphalia on behalf of the other German federal states (Länder). Additional information at the Company Register (Unternehmensregister) + Gazette (Bundesanzeiger)
Greece	Ministry of Labour, Social Security and Social Solidarity, General Secretariat for Social Security	Bank of Greece	Hellenic Capital Market Commission (HCMC)	Stock Exchange	General Commercial Registry (G.E.MI.)
Hungary	Central Bank of Hungary; Magyar Nemzeti Bank	Central Bank of Hungary; Magyar Nemzeti Bank	Central Bank of Hungary; Magyar Nemzeti Bank	Central Bank of Hungary; Magyar Nemzeti Bank	Courts of registration + website of the Service of Company Information and Electronic Company Registration of the Ministry of Justice
Ireland	The Pensions Authority	Central Bank of Ireland	Central Bank of Ireland	Stock Exchange	Register of Entities + Entities Registration Office
Italy	Commissione di Vigilanza sui Fondi Pensione (COVIP)	Banca d'Italia	Commissione Nazionale per le Società e la Borsa (CONSOB)	1Info and eMarket Storage (private entities)	Registro delle Imprese is run by the Chambers of Commerce, with support from Unioncamere
Latvia	Financial and Capital Market Commission	Financial and Capital Market Commission	Financial and Capital Market Commission	Financial and Capital Market Commission	Register of Enterprises of the Republic of Latvia (Latvijas Republikas Uzņēmumu reģistrs) (public body)

Lithuania	Bank of Lithuania	Bank of Lithuania	Bank of Lithuania	Stock Exchange	Lithuanian register of legal persons (Lietuvos juridinių asmenų registras) managed and maintained by the State enterprise Registrų centras (Register Centre)
Luxembourg	Commission de Surveillance du Secteur Financier (CSSF)	Commission de Surveillance du Secteur Financier (CSSF)	Commission de Surveillance du Secteur Financier (CSSF)	Stock Exchange	business register (Registre de Commerce et des Sociétés (RCS) under the authority of the Minister for Justice
Malta	Malta Financial Services Authority (MFSA)	Malta Financial Services Authority (MFSA)	Malta Financial Services Authority (MFSA)	Stock Exchange	Maltese business register, part of the Malta Financial Services Authority (MFSA)
Netherlands	De Nederlandsche Bank (Prudential supervision) - The Dutch Authority for the Financial Markets	De Nederlandsche Bank	The Dutch Authority for the Financial Markets (AFM)	The Dutch Authority for the Financial Markets (AFM)	Dutch Business Register is owned and maintained by the Dutch Chamber of Commerce (Kamer van Koophandel)
Poland	Polish Financial Supervision Authority	Polish Financial Supervision Authority	Polish Financial Supervision Authority	Polish Financial Supervision Authority	Polish Business Register (the National Court Register) operated and managed by the Polish Ministry of Justice
Portugal	Portuguese Insurance and Pension Funds Supervisory Authority (ASF)	Banco de Portugal	Portuguese Securities Market Commission (CMVM)	Portuguese Securities Market Commission (CMVM)	business registry offices, which are external services of the Institute of Registrars and Notaries (IRN), itself under the aegis of the Ministry of Justice
Romania	Financial Supervisory Authority (ASF)	National Bank of Romania	Financial Supervisory Authority (ASF)	Financial Supervisory Authority (ASF)	National Trade Register Office, a public body with legal personality, under the authority of the Ministry of Justice
Slovakia	National Bank of Slovakia	National Bank of Slovakia	National Bank of Slovakia	National Bank of Slovakia	Obchodný register [commercial register] is a public list administered by the Ministry of Justice
Slovenia	Insurance Supervision Agency	Bank of Slovenia	Securities Market Agency (ATVP)	Stock Exchange	Slovenian Business Register (PRS) is managed by the Agency of the Republic of Slovenia for Public Legal Records and Related Services (Agencija Republike Slovenije za javnopravne evidence in storitve – AJPES)
Spain	Direccion General de Seguros y Fondos de	Banco de España	Comisión Nacional del Mercado de	Comisión Nacional del Mercado de	Registradores' (Registrars)

	Pensiones		Valores (CNMV)	Valores (CNMV)	
Sweden	Finansinspektionen Financial Supervisory Authority	Finansinspektionen Financial Supervisory Authority	Finansinspektionen Financial Supervisory Authority	Finansinspektionen Financial Supervisory Authority	Swedish Entities Registration Office

The table above indicates strong overlap between NCAs, OAMs and Business Registers in many Member States:

- A single NCA supervises both capital markets, banks and insurance companies in 14 Member States: AT, CZ, DK, EE, FI, DE, HU, LV, LT, LU, MT, PL, SK, SE
- In 15 Member States, the Capital Market NCA also ensures the functions of the OAM.
- In 8 Member State, a single NCA supervises capital markets, banking and insurance sectors, and is also the OAM: CZ, DK, EE, HU, LV, PL, SK, SE.
- In 11 Member States, NCAs and/or OAM boil down to 2 bodies: AT, BE, BU, DE, HR, FI, LT, LU, MT, NL, RO. In 4 of these Member States, the OAM is a private body (FI, LT, LU, and MT).

However in 8 Member States, NCAs and OAM involve 3 or more bodies (CY, FR, EL, IE, IT, PT, SI, ES), with the OAM being a private body in CY, EL, IE, IT and SI.

In 2 Member States the OAM is a public body (e.g. central bank) other than the NCA. In 10 Member States, the OAM is a private company, often a national or regional stock exchange.

The total number of existing OAMs is 26 (one OAM provides services to 2 Member States).

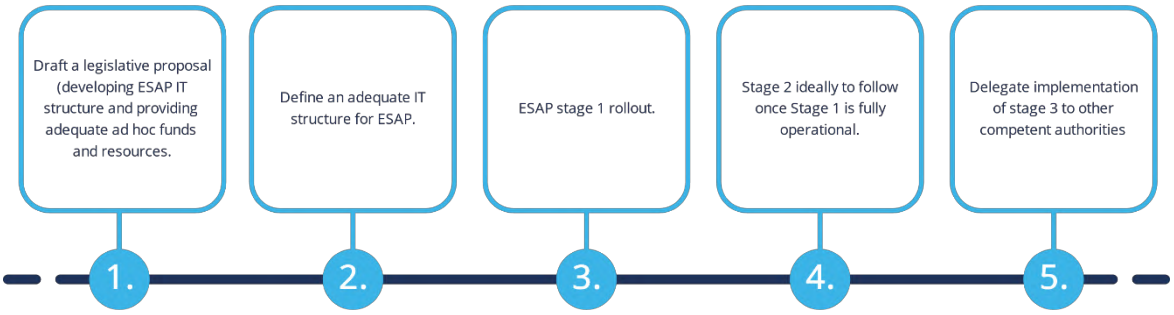
Business Registers are most often public organisations. Except for 2 Member States, Business Registers are generally independent, i.e. neither an NCA nor an OAM.

The number of the existing intended collection points established in the entirety of Member States (NCA and/or OAMs) is 58 + the 3 EU collection points (ESMA, EIOPA, and EBA), for a total of 61. Out of these, 10 are private bodies (OAMs)

Next steps

This report presents results of sub-task 1.1, mapping public disclosure data as the input for further analysis in ESAP's impact assessment and policy package proposal. The key milestones[207] of the ESAP project that is currently under evaluation are summarised below:

Figure 2 Key milestones of the ESAP project



Assumptions

Since the legislation is complex and there is no common practice in defining requirements for public information, a list of assumptions was applied during research and consultation. The key assumptions that guided the data mapping task are described further below.

Identification of reporting frameworks

The aim of the mapping task is to seek beyond public disclosures required in the Transparency Directive[208] and to identify similar public reporting obligations set by Level 1 Measures (L1M[209]) in DG FISMA policies[210]. Thirty-six reporting frameworks were analysed to seek reporting obligations. The study also considers additional data, as specified in the mapping structure presented in the next chapter.

Type of information covered

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[207] *Source: Final Report of the High-Level Forum on the Capital Markets Union, p. 36,. https://ec.europa.eu/info/sites/default/files/business_economy_euro/growth_and_investment/documents/200610-cmu-high-level-forum-final-report_en.pdf.*

[208] *DG FISMA decided to continue the promising results of the EFTG pilot project by analysing a broader scope of data (available through ESAP).*

[209] *See: Annex II – EU legislation.*

[210] *The set of reporting frameworks in the project scope was defined as follows: AD, AIFMD, AuD, AuR, BMR, BRRD, Covered bonds directive, CRAR, CRD, CRR, CSDR, ELTIF, EMIR, EuSEF, EuVECA, FICOD, IFD, IFR, IORP II, MAR, MIFID II, MIFIR, MMF, PEPP, PR, PRIIPs, REMIT, Securitisation Regulation, SFTR, Shareholders rights, Solvency II, SSR, SUSTAINABILITY, Take-over bid, TD, UCITS.*
One legislative act falling outside of the remit of DG FISMA (REMIT and the financial transaction reporting requirements it contains) was added to the scope. *Source: https://ec.europa.eu/info/sites/default/files/business_economy_euro/banking_and_finance/documents/191107-fitness-check-supervisory-reporting-staff-working-paper_en.pdf, p.14.*

The mapping covers regulated public information, disclosed by entities, including information provided by the EC, national authorities, supervisory functions, and capital markets. It does not cover supervisory financial requirements[211].

Identification of reporting obligations

Reporting obligations were identified from the analysis of L1Ms included in the scope of the mapping. Reporting obligations defined in L2Ms and L3Ms were excluded from the analysis. These documents were used as a source of additional information required to complete the mapping exercise.

Cut-off date for legislation

An up-to-date mapping, presented in this report, is based on the original mapping file developed as part of the EFTG project phase, covering L1M and L2M dated late 2019. An updated EFTG mapping file has been prepared at the end of 2020. Acts published in the Official Journal after 31.12.2020 were not included in the analysis.

Data collection methods

Four different data collection methods were used to obtain the mapping results. In the first phase, EU legislation was analysed, as well as official documents published by EU Competent Authorities. Online research and direct meetings were carried out simultaneously, as well as indirect interactions such as surveys, which complemented the data collected in the surveys with information and views provided by identified stakeholders.

Mapping structure

The mapping exercise began with the development of a repository structure to make the evidence easier to navigate and to ensure that the findings remained transparent. The final mapping structure was developed as a result of:

- Analysis of the original mapping document and adapting it to the requirements of the current stage of the project,
- Integration of additional information as requested by DG FISMA.

Drafting the list of essential information under data mapping was based on the expertise of financial reporting experts. Understanding the ESMA reporting frameworks and relevant data information, such as data format, required by national and European competent authorities, was essential to fully comprehend the data mapping assumptions. A key assumption was that the data mapping should include complete and accurate data to be used in the analyses and recommendations developed in further subtasks (ESAP Governance and Strategy assessment)[212].

Rows

[211] *Commission Staff Working Document Fitness Check of EU Supervisory Reporting Requirements, 1. Introduction, p. 10.*

[212] *Sub-task 01.2: Assessment and proposals on ESAP governance and strategy.*

In total, 383 public disclosures were identified and presented as single rows in the mapping process. Each row represents a homogeneous disclosure (in terms of all contextual data[213]), although there are cases where one group of reporting obligations represents more than one reporting requirement. Detailed analysis presented in the section relates to reporting requirements disclosed only by a specific group of entities[214] (202 information disclosures).

Entities[215] subject to reporting requirements presented, publish management reports[216] of a various content, while contextual data remain the same. Therefore, in the mapping exercise this information is presented as single reporting obligation.

Table 1, Two reporting requirements presented as single public disclosure – AD, Directive 2013/34/EU (consolidated on 11/12/2014) [Non-financial part]

Legal act reference	Description
Article 30 (1)	Member States shall ensure that **undertakings publish** within a reasonable period of time, which shall not exceed 12 months after the balance sheet date, the duly approved annual financial statements and **the management report**, together with the opinion submitted by the statutory auditor or audit firm referred to in Article 34 of this Directive, as laid down by the laws of each Member State in accordance with Chapter 2 of Directive 2009/101/EC
Article 19a (1)	**Large undertakings** which are public-interest entities exceeding on their balance sheet dates the criterion of the average number of 500 employees during the financial year shall **include in the management report a non-financial statement** containing information to the extent necessary for an understanding of the undertaking's development, performance, position and impact of its activity, relating to, as a minimum, environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters […].
Article 29a (1)	**Public-interest entities** which are parent undertakings of a large group exceeding on its balance sheet dates, on a **consolidated** basis, the criterion of the average number of 500 employees during the financial year shall include in the **consolidated management report a consolidated non-financial statement** containing information to the extent necessary for an understanding of the group's development, performance, position and impact of its activity, relating to, as a minimum, environmental, social and employee matters, respect for human rights, anti-corruption and bribery matters […].

It should also be noted that certain cells within a row were not filled in. Some information could not be obtained, either through the analysis of legislation or through other data collection channels, such as online research or stakeholder surveys. Regarding the completeness of the findings, data fields marked in as *No data* are presented through statistics and graphs.

Columns

Mapping exercise illustrates wide range of information which is captured in columns. Further technical details of columns are summarised in Annex I, ***Error! Reference source not found.***. This includes information specific to L1M legislation (e.g.,

[213] *Information about reporting obligation other than particular content, that should be reported (e.g., frequency, data issuer and recipient).*

[214] *Supervisory disclosures were excluded from the analysis.*

[215] *Detailed categories: Public-interest entity and Large undertaking.*

[216] *Individual or consolidated.*

reference to the legislation, reporting requirement, frequency, and data issuer), as well as technical information such as data format, validation mechanism, usually outlined in L2M and L3M documents or technical documents published by European competent authorities.

The structure of columns was the starting point for developing data input for further analysis[217]. The team assigned to carry out respective tasks in the project includes experts with experience in analysing reporting frameworks, as well as channels, standards, technical formats, and technologies that facilitate data accessibility, shareability and usability.

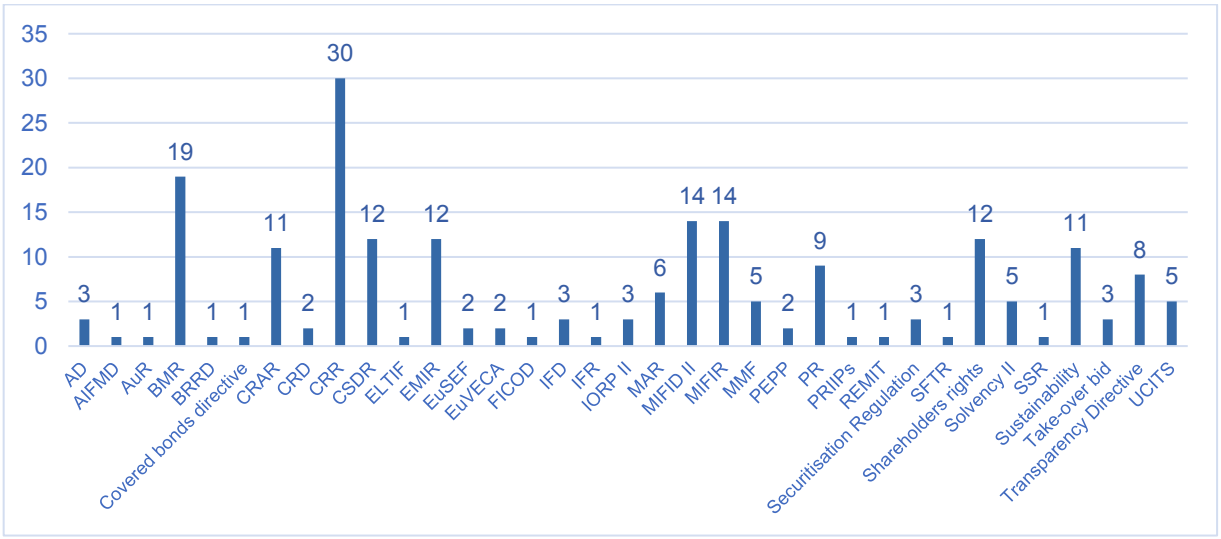
Basic statistics and findings overview

Baseline statistics represent the status of project materials upon detailed analysis of thirty-six[218] DG FISMA frameworks. The Level 1 Measures (L1M) were considered a primary source of information for developing the list of reporting obligations. The study of legal acts was fundamental to this process, yet other analyses[219] were also vital when developing the final mapping. In total, 383[220] information disclosures were identified in the mapping of the reporting obligation data. The statistics presented further relate to reporting requirements disclosed by entities[221] (207 information disclosures).

Statistics based on the analysis of legislation

A substantial part of the list (37%) covers reporting obligations related to CRR, BMR, MIFID II and MIFIR frameworks. This may be related to the fact that these reporting frameworks cover a large number of articles under L1M legislation. Reporting frameworks such as AIFMD, AuR, BRRD, CBD[222], ELTIF, FICOD, IFR, PRIIPs, REMIT, SFTR and SSR cover only one public disclosure each. The average number per reporting framework is approximately 6 reporting obligations.

Figure 3 Reporting obligations per framework



217 *See: Basic statistics and findings overview.*

218 *Statistics presented below concern thirty-five frameworks. AuD does not contain reporting obligations from entity perspective.*

219 *See: Introduction, Research and data collection.*

220 *ESAP - Data Mapping contains reporting requirements both from Supervisory and Entity perspective.*

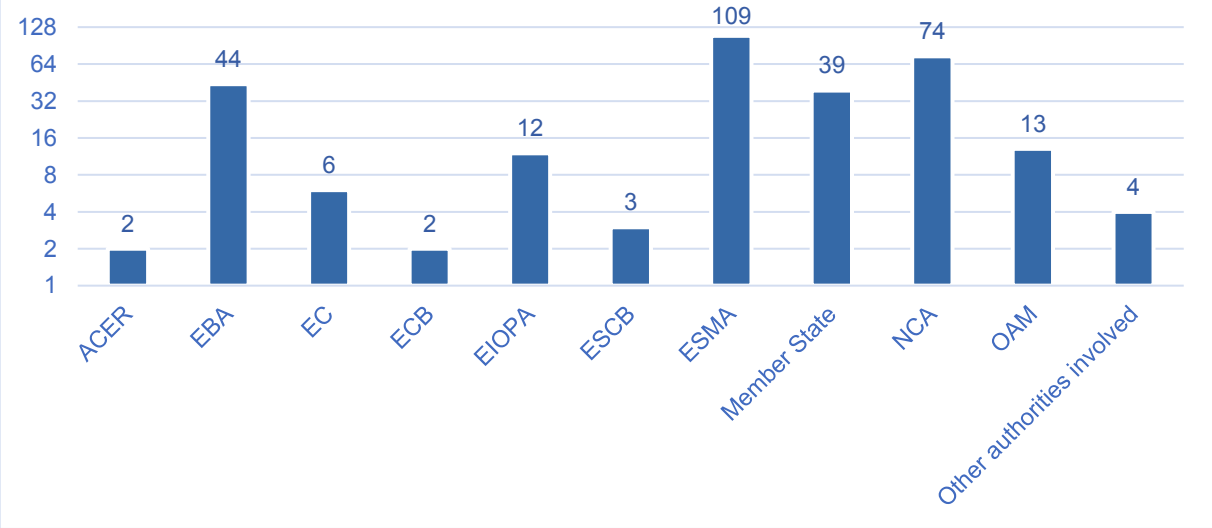
221 *Data issuer (general): Auditor, Entity, Natural or legal person.*

222 *Covered bonds directive.*

Some reporting obligations were grouped together, although they refer to different articles in the L1M (see ***Error! Reference source not found.***). All identified reporting obligations were further analysed in order to attribute as many characteristics as possible to them (see Annex I, ***Error! Reference source not found.***).

The chart in *Figure 4* illustrates the authorities involved in regulated public disclosure (note that a logarithmic scale was applied to better visualise the results). More than one authority may be identified for each reporting obligation.

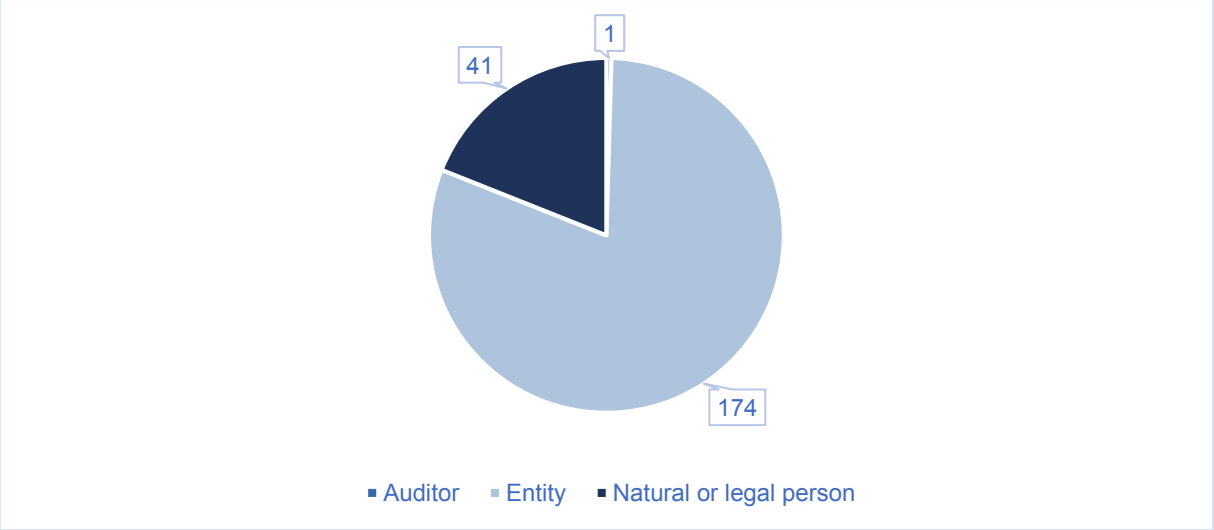
Figure 4 Authorities involved in regulated public disclosures [logarithmic scale]



ESMA is the supervisory authority that is involved in the largest number of reporting obligations, as by far majority of the analysed frameworks fall under its remit. The figures further reveal that the second most involved group of authorities are the National Competent Authorities (NCAs). This is indicated by the provisions in the legal acts regarding the delegation of supervisory competences to the national level. The category 'other authorities involved'[223] include those with one reporting obligation (in total less than 2% of all reporting obligations).

Figure 5, Data issuer (general)

[223] *ESRB, European Investment Bank, SRB, Supervisory authority.*



The data issuer category with the highest number of reporting obligations is the 'Entity' with 174 disclosures (81% of all occurrences). More than one data issuer may be identified for each reporting obligation. Only generic categories of issuers are illustrated for clarity of the findings. The in-depth analysis of 'Entity' category identified 44[224] unique data issuers. Additionally, 'Natural or legal person' category includes eight[225] unique detailed data issuers.

Since data mapping analysis focused on public disclosures, the findings on data recipients were foreseeable. The total number of public disclosures amounts to 203 (98%). Noteworthy is that results cover more complex data disclosure process. The example below demonstrates the flow of disclosure, as prepared by an entity and submitted to a competent authority. The notification is forwarded to ESMA for publication on its website. From the disclosure analysis point of view, ESMA is the recipient of such a disclosure.

Table 2 Specific data disclosure flow process, MAR - Regulation (EU) No 596/2014

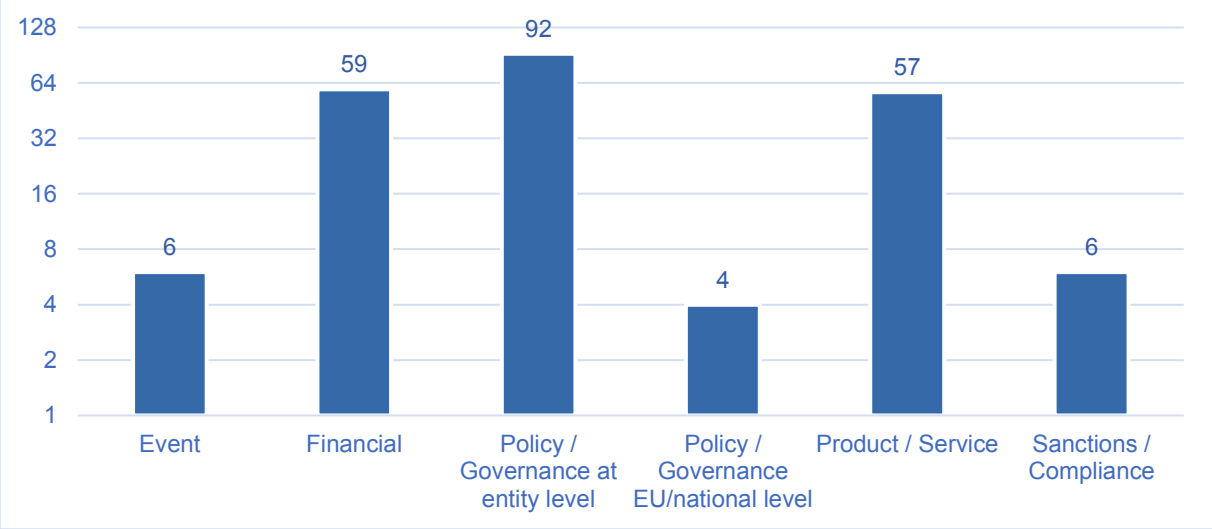
Article	Description
4	1.**Market operators of regulated markets and investment firms and market operators operating an MTF or an OTF shall, without delay, notify the competent** authority of the trading venue of any financial instrument for which a request for admission to trading on their trading venue is made, which is admitted to trading, or which is traded for the first time. **They shall also notify the competent authority of the trading venue** when a financial instrument ceases to be traded or to be admitted to trading, unless the date on which the financial instrument ceases to be traded or to be admitted to trading is known and was referred to in the notification made in accordance with the first subparagraph. Notifications referred to in this paragraph shall include, as appropriate, the names and identifiers of the financial instruments concerned, and the date and time of the request for admission to trading, admission to trading, and the date and time of the first trade. **Market operators and investment firms shall also transmit to the competent authority of the trading venue** the information set out in the third subparagraph with regard to financial instruments that were the subject of a request for admission to trading or that were admitted to trading before 2 July 2014, and that are still admitted to trading or traded on that date. 2. **Competent authorities of the trading venue shall transmit notifications that they receive pursuant to paragraph 1 to ESMA** without delay. **ESMA shall publish those notifications on in its website** in the form of a list immediately on receipt. ESMA shall update that list immediately on receipt of a notification by a competent authority of the trading venue. The list shall not limit the scope of this Regulation.

[224] *AIFM, APA, Asset manager, Auction monitor, Auction platform, Auctioneer, CCP, Clearing member, Counterparty, CRA, Credit institution, CSD, CTP, ELTIF, Execution venue, Financial adviser, Financial conglomerate, Group entity, Holding company, Institutional investor, Insurance undertaking, Intermediary, Investment firm, IORP, Issuer, Large undertaking, Manager, Market operator, Market participant, MMF, Offeree company, Originator, Parent undertaking, PEPP provider, PRIIP manufacturer, Proxy advisor, Public-interest entity, Securitisation repository, Sponsor, Systematic internaliser, Trade repository, Trading venue, UCITS, Undertaking*

[225] *Administrator, Issuer, Liquidator, Market participant, Natural or legal person, Offeror, Person asking for admission to trading on a regulated market, Tied agent*

The generic type of information that covers the largest number of public disclosures is entity-level policy or governance with a total of 92 reporting obligations, where more than one category could be identified for each reporting obligation. The 43% of public disclosures relate to policy or governance at EU or national-level and policy or governance at entity-level.

Figure 6 General type of information [logarithmic scale]



Error! Reference source not found. illustrates the approach adopted to formulate the policy at entity, national or EU level. Article 29(2) refers directly to requirement for tied agent (natural or legal person) to publish information about capacity in which it operates and the investment firm it represents. Article 46(2) refers to the obligation of the market operator (entity) to publish information about ownership.

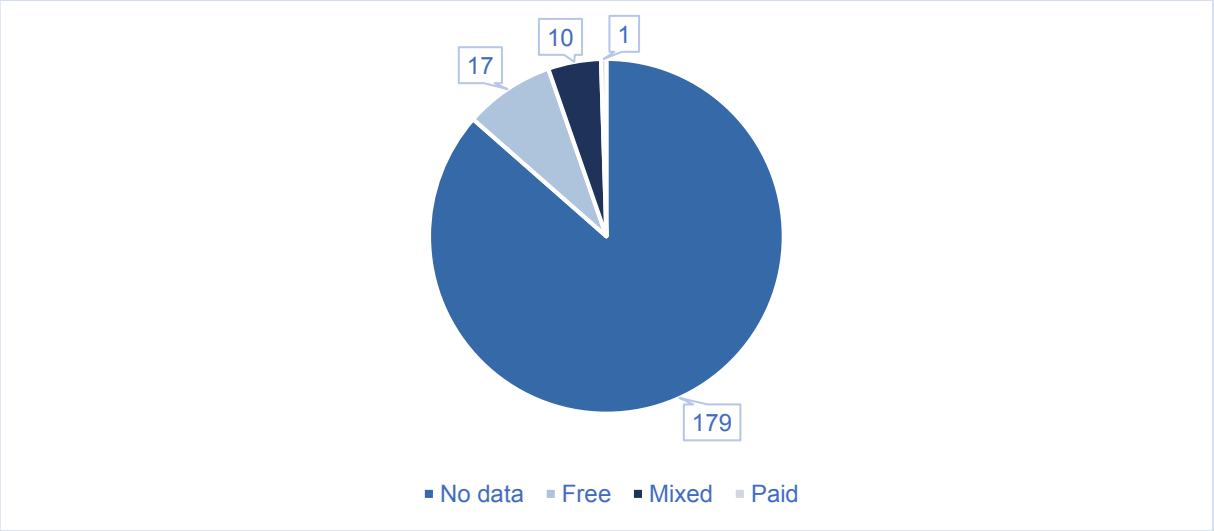
Table 3 Example: policy at entity, national and EU level, MIFID II - Directive 2014/65/EU

Article	Description
29(2)	Member States shall require that where an investment firm decides to appoint a tied agent it remains fully and unconditionally responsible for any action or omission on the part of the tied agent when acting on behalf of the investment firm. Member States shall require the investment firm to ensure that a **tied agent** discloses the capacity in which he is acting and the investment firm which he is representing when contacting or before dealing with any client or potential client.
46(2)	Member States shall require the **market operator** of the regulated market: (a) to provide the competent authority with, and to make public, information regarding the ownership of the regulated market and/or the market operator, and in particular, the identity and scale of interests of any parties in a position to exercise significant influence over the management; (b) to inform the competent authority of and to make public any transfer of ownership which

	gives rise to a change in the identity of the persons exercising significant influence over the operation of the regulated market.

Access to company-specific information may be difficult, given that it is often fee-based, as stakeholders[226] suggested. Following a detailed analysis, twenty-eight public disclosures at national level that were fee-based were identified. As presented below, only one disclosure was found to be fee-based. Seventeen fee-based (free) disclosures were identified at the European level. The legislative proposals for ESAP assume that the platform should be freely accessible without charge or licence use. This approach may require changes in business practices that use public disclosures.

Figure 7 Fees at national level

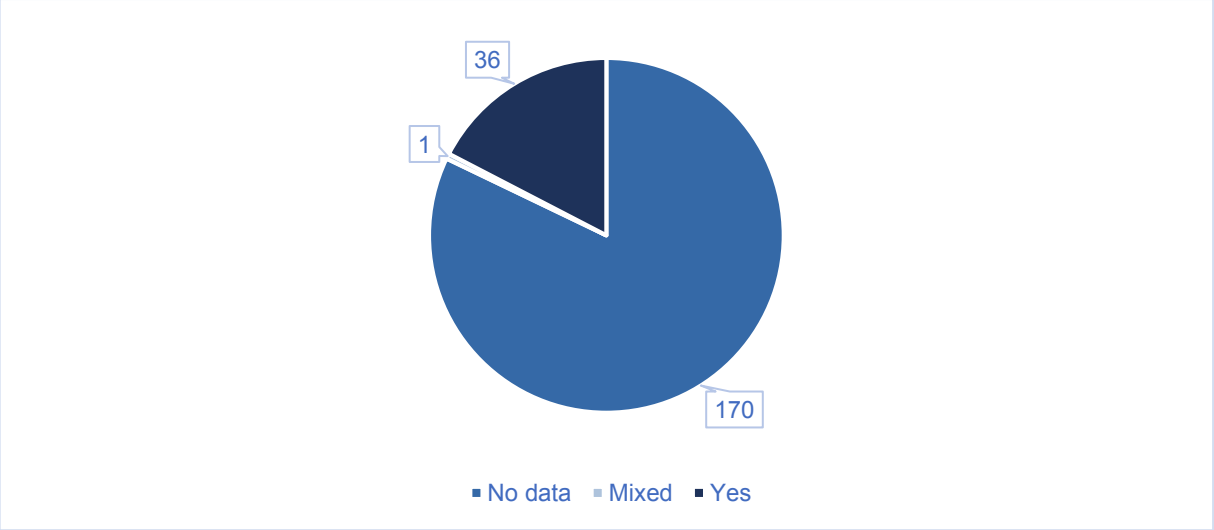


One of the points considered by DG FISMA in the ESAP assessment is that the platform should respect the commitment set out in the Digital Finance Strategy[227] to define the type of information that should be machine-readable.

Figure 8 Machine readability

[226] *See: Targeted Consultation Document, Establishment of a European single access point (ESAP) for financial and non-financial information publicly disclosed by companies.*

[227] *The digital finance strategy sets out general lines on how Europe can support the digital transformation of finance in the coming years, while regulating its risks. See: https://ec.europa.eu/info/publications/200924-digital-finance-proposals_en.*



After a detailed analysis, thirty-seven public disclosures were identified as machine-readable. This demonstrates the potential for standardisation of information regulated under the ESAP project, where all data should be machine-readable.

Findings

Only selected data were reported, those deemed to be the most representative and informative, given the assumptions and key objective of the exercise. The complete data set is available in the ESAP-Data mapping excel file attached to this report.

Underlying documents do not specify all the requirements

The context of reporting requirements is frequently insufficiently and only partially specified (e.g., data format or data quality assurance mechanism). In this respect, NCAs or ESAs may define their own reporting requirements deemed most adequate for the national or the EU-level of supervision.

Potential for standardisation and good reporting practices

The definitions of reporting requirements fail to provide contextual and more detailed information, on, inter alia, the format of disclosures, resulting in a lack of standardisation at EU and national level. In this respect, ESAP could contribute to reducing the burden of insufficiently standardised reporting by introducing common good reporting practices.

Potential for standardisation of sustainability disclosures

The examination of Sustainability Framework covered by respective legislation[228] confirms the necessity to include Environmental Social and Corporate Governance (ESG) information as part of public data mapping.

[228] *Directive 2014/95/EU (as a part of AD framework), Regulation (EU) 2019/2088, Regulation (EU) 2020/852.*

- The ESAP platform, as a repository for all timely sustainability-related public information provided by listed companies, shall greatly standardise both the content and format of this information.
- The common platform and harmonised reporting should also impact and encourage non-listed companies to disclose such information through the well-organised and easily accessible platform.



High number of public disclosures to competent authorities

Over 46%[229] of all data issuers were recognised as CAs. Consequently, submitting data to ESAP may require a significant reporting effort from them. It is therefore essential that further assessments and considerations on governance and strategy include the sharing of responsibilities between all stakeholders.

Annex I- Mapping structure overview

Table 4 Mapping structure - columns

Column	Category of information	Description
Framework abbreviation	Drop down list	All reporting obligations are assigned to one of thirty-six analysed frameworks
L1M legal act	Text	Source of reporting obligations (document type and Official Number of the L1M)
Article	Text	Direct reference to reporting obligation
Information to be disclosed according to a legal act	Text	Document content
General type of information	Drop down list	Classification of public disclosure
Category of information	Drop down list	Detailed classification of public disclosure
Category of information (EC consultation)	Drop down list	Classification of public disclosure according to EC consultation document
Frequency	Drop down list	Information is published on an ad hoc basis or at intervals. Discrepancies found in the legal acts that relate to an attribute such as frequency shall be standardised (e.g., semi-annually and half-yearly are harmonised as semi-annually).
Data issuer (general and detailed)	Drop down list	Entity required to publish regulated information. Detailed data issuers are grouped into more generic categories.
Data recipient (general and detailed)	Drop down list	Regulated information is disclosed directly or through another entity (e.g., OAM). Detailed recipients are grouped into more generic categories.
Authorities involved	Drop down list	The authority directly involved in the reporting requirement (as a direct recipient or supervisor) or as a general framework owner.
Machine readability	Drop down list	Feasibility of machine-readability (Yes/No/Mixed)
Specification of data format (EU level)	Drop down list	Reason for disseminating (Mandatory/ Recommended/ Voluntary)
Technical data format (entity, national, EU level)	Drop down list	Specification of data format. Directly connected with Machine Readability column (if filled by "yes'' or "mixed"). Format may vary on the level of disclosing (entity, national or EU)
Entity identifier	Drop down list	Contextual information to identify data issuer (e.g., LEI code)
Data assurance and Data assurance mechanism	Boolean Drop down list	Identification of data assurance (Yes/No) and potential specification of that mechanism.
Data validation and Data validation details	Boolean Drop down list	Identification of data validation (Yes/No) and potential specification of that mechanism.
Language used for data	Drop down list	Information about language used to publish regulated data.

[229] *Detailed analysis of all 383 identified reporting obligations in ESAP - Data Mapping.xlsx (Supervisory and Entity reporting requirements).*

Data availability period	Drop down list	Legal act may require availability of regulated data for a specific period (e.g. on website).
Exclusions' applicability and Nature of exclusions	Drop down list	Legal act may exclude some scenario from requirement of disclosing information (e.g. entity exclusion)
Data access (Entity level)	Drop down list	Access to public information can be provided on entity level (e.g. via website)
Repository, Access and Fees (National, European level)	Drop down list	Access to public information could be provided on EU or national level as a dedicated repository or website. Access may be free, fully paid or mixed for all relevant stakeholders.

Annex II – EU legislation

Figure 10 EU legislation

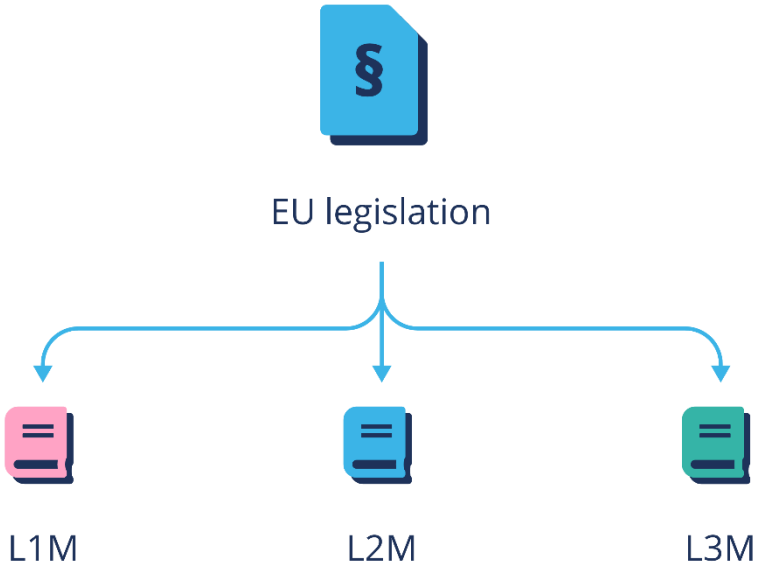


Table 5 EU legislation description[230]

Level	Description
L1M	Basic laws adopted by the European Parliament and the Council based on a proposal made by the Commission, in the traditional co-decision procedure. This legislation (Directive or Regulation) specifies in individual articles whether legislative power is delegated to the Commission to adopt Level 2 measures.
L2M	Multiple Level 1 Regulations and Directives in the area of financial services contain empowerments for Level 2 measures to be adopted by the Commission by means of Delegated acts, Implementing acts, or measures under the former comitology 'regulatory procedure with scrutiny'. These measures are endorsed in accordance with different procedures set out in the relevant basic act and may be subject to formal committee decisions or provide for certain scrutiny rights of the European Parliament and the Council. Where the Level 2 measures require the expertise of supervisory experts, it can be determined in the basic act that these measures are technical standards based on drafts developed by the European supervisory authorities. There are two types of standards: (i) the Regulatory technical standards (RTS), which are adopted by the Commission by means of a Delegated act and (ii) the Implementing technical standards (ITS), which are adopted by means of an Implementing act
L3M	Other documents related to a framework, which are not L1M or L2M (e.g. guidance and recommendation).

[230] *Glossary, D11. DRAFT Methodology for the analysis of Reporting Frameworks with unstructured data under Service Contract FISMA/2017/063/B2/SE/OP.*

ANNEX 12: COHERENCE OF ESAP WITH RELEVANT EU POLICIES

Initiative	Owner	Brief description	Relation with ESAP
Regulation on Free flow of non-personal data	EU	With respect to non-personal data, EU Regulation (EU) 2018/1807 establishes the free movement of such data in the EU, thus enabling alternative location of data for storage or processing than national location, including as regards bookkeeping. The Directive enables to store data anywhere in the Union, disregarding e.g. initial location or collection point. The Directive also enables to port data between cloud service providers and systems.	This regulation is an enabler for the ESAP. By ensuring the free movement of non-personal data and of electronic communication equipment and services in the Union this initiatives lifts potential barriers to the implementation of the ESAP.
Electronic Identification Authentication and Trust Services Regulation (e-IDAS)	EU (CNECT)	eIDAS is a framework for secure electronic verification and identification across Europe, making one common standard. Electronic identification (eID) and electronic Trust Services (eTS) are key enablers for secure cross-border electronic transactions and central building blocks of the Digital Single Market. Regulation (EU) N°910/2014 on electronic identification and trust services for electronic transactions in the internal market (eIDAS Regulation) adopted by the co-legislators on 23 July 2014 ensures that people and businesses can use their own national electronic identification schemes (eIDs) to access public services in other EU Member States where eID are available, and creates a European internal market for eTS - namely electronic signatures, electronic seals, time stamp, electronic delivery service and website authentication - by ensuring that they will work across borders and have the same legal status as traditional paper-based processes.	The e-IDAS Regulation offers a framework about e-identity and trust services which the ESAP may use to the extent appropriate to reaching its objectives.
Company Law	EU (JUST)	The Company Law Directive requires the disclosure of company information in the national business registers and establishes the interconnection of business registers (BRIS) Business registers in the EU offer online access to documents. The recently adopted Directive (EU) 2019/1151 amending Directive (EU) 2017/1132 as regards the use of digital tools and processes in company law contains additional disclosure requirements and related measures. In particular, the following provisions are interesting for financial and non-financial information: • all information and documents stored by a business register as part of the	The ESAP and the business registers interconnection system (BRIS) address data that is generally of different nature resulting from filing obligations by entities. There is limited overlap given that the accounting documents (management reports, corporate sustainability reporting, annual financial statements, audit reports, and Country-by-

		registration or filing of a company or a branch will have by 1 August 2023 to be stored by business registers in a machine-readable and searchable format or as structured data. • electronic extracts of the documents and information provided by the register to stakeholders will be authenticated by means of trust services referred to in the eIDAS Regulation , in order to guarantee that the electronic extracts is a true copy of the document held by the register or that it is consistent with the information contained therein. The Business Registers Interconnection System (BRIS) is a mandatory interconnection of the EU business registers, operational since 8 June 2017. BRIS allows EU business registers to exchange information on cross-border company events, such as foreign branches and cross-border mergers of entities. BRIS allows in addition citizens, entrepreneurs and entities to obtain company information on more than 20 million limited liability entities, including a set of information free of charge, in all EU languages through the "Find a Company" page of the e-Justice Portal. Directive (EU) 2019/1151 further extends the set of data available free of charge on the European e-Justice Portal and the set of information exchanged by business registers on cross-border operations, such as conversions, mergers and divisions.	Country reporting of listed entities must be filed with both a Business Register and an OAM pursuant to the Accounting and the Transparency directives, respectively. In addition, the ESAP and BRIS pursue objectives that are different: CMU and market service on the one hand, legal company law objectives on the other. As announced in the CMU Action Plan, the ESAP will not alter the BRIS functions but will complement it. In terms of format, the ESAP intervention is coherent with the obligation to ensure that information and documents stored in Business Registers are in a machine-readable and searchable format or as structured data by August 2023. There is no legal impediment for business registers to accept any formats developed under the ESAP initiative. Under EU law, formats accepted by a national business register will remain however a national prerogative including, for instance on accounting documents. The CMU Action Plan calls for a separate approach between the ESAP and the BRIS.
The INSPIRE Directive	EU (ENV)	Provides for a federated data-sharing framework for spatial data related to the environment. Inspire shall build upon infrastructures for spatial information established and operated by the Member States. Whereas the INSPIRE Directive and the Directive on access to environmental information set expectations concerning the discoverability and public accessibility of data, the High Value Data list for Article 14 of the PSI Directive will add the requirements for open data (reusable, open license, free of charge, machine readable, and available through an API and/or bulk download). The INSPIRE Geoportal provides a general overview of which Member States are providing metadata, viewers or	The ESAP and INSPIRE cover distinct sets of information in distinct environments and data settings. Hence the need for coherence is very limited. Nevertheless, certain objectives of the ESAP being similar, an overview of INSPIRE was performed as regards metadata, interoperability, network services and data sharing and show great coherence of the approach between the two.

		downloads for which datasets, although the actual details are regularly incomplete or outdated.	The interoperability and, where practicable, harmonisation of spatial data sets and services is subject to subsequent Commission decision. The ESAP proposes a similar direction of travel, but could nevertheless set minimum principles for formats, such as data extractability. There may be a more prominent need for interoperability of formats in the spatial area than in the financial area. As regards network services, the ESAP would, as in INSPIRE, ensure discovery, view and download services. In terms of access fees, the ESAP, as in INSPIRE, will set access free of charge as a general principle and allow charges for certain services (cases or services to be specified for the ESAP, already specified in INSPIRE such as to secure the maintenance of spatial data sets and corresponding data services in cases involving very large volumes of frequently updated data). Contrary to INSPIRE, the ESAP may not contain provisions allowing Member States to limit public access to data sets and services where such access would adversely affect international relations, public security or national defence, as this does not seem relevant in the financial area – and provisions being largely driven by the EU law, the latter already includes appropriate limitation to disclosure.

European Data Portal	Commission	The European data portal (https://data.europa.eu/) harvests metadata from publicly available datasets held by national and some European public sector bodies, and makes them findable through a single EU-level portal.	When in place, the ESAP could liaise with the portal with a view to improve visibility and discovery of data in the financial area.
European Interoperability Framework	Commission (DIGIT)	Interoperability is a key factor in making a digital transformation possible. It allows administrative entities to electronically exchange meaningful information in ways that are understood by all parties. It addresses all layers that impact the delivery of digital public services in the EU, including: legal, organisational, semantic and technical aspects.	The ESAP would contribute to the EU interoperability agenda by streamlining further national operational models and data management, where relevant.
The European Cloud Initiative	Commission (CNECT)	The Cloud Initiative will make it easier for researchers, businesses and public services to fully exploit the benefits of Big Data by making it possible to move, share and re-use data seamlessly across global markets and borders, and among institutions and research disciplines.	The ESAP infrastructure may benefit in the long run of new infrastructure and ecosystem resulting from the initiative. However this would depend on technical choices for the infrastructure which are not for the legislation to make.
Corporate Sustainable Reporting Directive	EU co-legislators	The Commission adopted a proposal for a Corporate Sustainability Reporting Directive (CSRD), which would amend the existing reporting requirements of the NFRD. The proposal • extends the scope to all large entities and all entities listed on regulated markets (except listed micro-enterprises) • requires the audit (assurance) of reported information • introduces more detailed reporting requirements, and a requirement to report according to mandatory EU sustainability reporting standards • requires entities to digitally 'tag' the reported information, so it is machine readable and feeds into the European single access point envisaged in the capital markets union action plan	The CSRD seeks to address the digital use of the CSR by proposing the development of ad hoc standards that will enable data structuring and better comparability as well as the development of a digital taxonomy. In addition, the CSRD proposes that CSR be drawn up in a machine readable format, the ESEF. In terms of accessibility, the CSRD suggest filing of the CSRs with both the national Business Register and an OAM. This prepares the grounds for a smooth integration in the ESAP. The Commission will monitor the developments of inter-institutional discussions on this proposal when preparing the ESAP legislative proposal.
Database rights (Directive)	EU co-legislators	The Directive seeks to provide legal protection for databases* which has two aspects: • copyright protection for the intellectual creation involved in the selection and arrangement of materials; the creator of a database enjoys a group of	Rights created by this Directive have been examined in the light of ESAP's features, content, and objectives.

		exclusive rights (restricted acts), e.g. reproduction, alteration, distribution, etc. • sui generis* protection for a substantial investment (financial and in terms of human resources, effort and energy) in obtaining, verifying or presenting the contents of a database; the creator of a database can prohibit the unauthorised extraction and/or re-use of its contents.	In an approach similar to the Open Data Directive, the ESAP would set a provision whereby the rights for the maker of a database provided for in Article 7(1) of Directive 96/9/EC shall not be exercised by public sector bodies in order to prevent the re-use of documents or to restrict re-use beyond the limits set by this Directive. This would apply to rights held by collection points vis-a-vis the ESAP, potentially including in the case of private sector bodies (OAMs) acting as collection points for the ESAP, given their public-interest function.
Open Data and data related policies	EU co-legislator	The Directive on open data and the re-use of public sector information (EU) 2019/1024, to be transposed by Member States by 16 July 2021, encourages the Member States to make as much information available for re-use as possible. It addresses material held by public sector bodies in the Member States, at national, regional and local levels, such as ministries, state agencies and municipalities, as well as organisations funded mostly by or under the control of public authorities. It aims to stimulate the publishing of dynamic data and the uptake of Application Programme Interfaces (APIs), to address costs of dissemination. Implementing act on high-value data sets under the Open Data Directive, will make selected data sets in relation to company and company ownership available across the EU for free, in machine-readable format and through standardised Application Programming Interfaces (APIs). Several acts, mainly in the context of the 2020 European strategy, include the Data Governance Act, which aims to establish a governance framework for sharing industrial data. The Data Act being prepared by the Commission is about ensuring fairness in the allocation of data value among actors of the data economy, including in business to business and business to government situations. The Digital Services and Digital markets Acts (DSA and DMA) proposed by the Commission in December 2020 aim to create a safer digital space for users of digital services and establish a level playing field to foster innovation, growth, competitiveness at the EU and global levels. The	The Open Data Directive presents a high potential of interaction with the ESAP initiative, especially as regards open data elements. These are examined throughout the document, especially in section 6. Other Acts mentioned in the opposite box have remote relevance in the context of this initiative. Their scope of application relates to the organisation of services and /or markets (Business to Business, Business to Government), with objectives that are specific to these initiatives (market governance, safer digital space, level playing field) which do not overlap with the objectives of this initiative focusing on the integration of the single market as regards public information relating to financial services and addresses the repository/regulatory functions (government to public, business to public).

ANNEX 13: HOW ARE THE PREFERRED OPTIONS SUPPORTING A FUTURE PROOF EVOLUTIONARY ESAP

A number of elements and key characteristics have been identified to support the evolutionary dimension of the ESAP:

Scope:

- Information voluntarily filed by entities would be allowed – with ability to adapt quickly in legislation the types of information accepted
- Additional sources of information / collection points: no obstacles to enable database owners (e.g. national registers) to voluntary join the ESAP – under the control of the governing body and subject to any legal or contractual applicable requirements.

Technical dimension:

- Flexible by design
    - Technical design of infrastructure and access modes (including new modes) are in the remit of the governing body
    - Extensible Metadata model (level 2 measures)
    - Adaptable approach via level 2 measures on machine readable formats (e.g. ESEF, XML, CSV or other).
    - Ability to adapt terms of use to reflect evolutions in licensing landscape (level 2 measures)
- Innovation enabler – no obstacles to enabling:
    - Artificial Intelligence
    - Machine learning
    - Natural Language Processing
- Facilitate new technologies and services – no obstacles to enabling:
    - Modern access modes are included (web portal, bulk download, APIs)
    - Big data / automated services

Governing and funding dimension:

- Governance model associates users, preparers, regulators, and other stakeholders
- Latitude for the governing body on the design of the ESAP (User Interface, etc.)
- Evolutionary funding sources including ability to charge and modulate user fees (within predetermined limits) to offer additional services.

Legislative dimension:

- No obstacle to enabling the Open Data Directive (including implementing acts on High Value Datasets) at national level
- Continuous monitoring measures implemented, under the surveillance of a dedicated committee involving various stakeholders

ANNEX 14: ANCILLARY/TECHNICAL/NON-CORE ASPECTS OF THE ESAP

This Annex presents and compares the policy options for other important aspects which do not represent a key dimension of the ESAP. It also includes a brief assessment of their impact.

1. ESAP functionalities

Technical choices on infrastructure should be left to the governance of the ESAP, in order to allow for the best model and enable evolutions along with technical progress. Nevertheless, the legislation could define a number of user oriented functionalities expected from the ESAP which would have to be catered in any case. Various options are envisaged below with increasing intensity of specifications.

1.1. Option 1 – ESAP provides for infrastructure oriented basic specifications

The ESAP provides only for basic specifications infrastructure-oriented (e.g. obligation for the collection points to share info, ensure security and high service rate).

1.2. Option 2 – ESAP provides for infrastructure and basic user oriented specifications/features

The ESAP provides only for basic specifications infrastructure and user-oriented features (e.g. obligation for the collection points to share info, ensure security and high service rate + language, notifications)

1.3. Option 3 – ESAP provides for an extensive set of infrastructure and user oriented specifications

The ESAP provides for an extensive set of specifications infrastructure and user-oriented. Based on our consultation activities and research, the following specifications were identified:

i) Web portal/Application Programming Interfaces (APIs)
Based on our targeted consultation, a web portal was the most supported means of access (81% of preferences), but there was also wide support for using Application Programming Interfaces (API) (79% of preferences).

ii) Search function to retrieve information
It should be user friendly and - based on the selected option addressing language barriers - provide for an interface that allows the search in a customary language in the sphere of international finance or in all EU official languages.

iii) Indication of the source of the information
The information source would be indicated per each document accessible via the ESAP.

iv) *Machine translation service for retrieved documents*
Based on the selected option addressing language barriers (section 5 of this Annex), ESAP could provide for an e-translation service to enable translation of the information retrieved in all EU languages.

v) Reader

A reader would enable users to access the information without necessarily downloading it.

vi) Individual and bulk download

In addition to the download of individual documents, bulk download would also be allowed to reflect the preference of 70% of respondents to our targeted consultation.

vii) Notifications/RSS feed

A notification/RSS feed service could be provided upon users' request. This service could be subject to fees, depending on the selected option regarding open data and access fees (see Section 6.4 and Annex 14).

1.4. **Impact and comparison of the policy options regarding the ESAP functionalities**

Considering consultation and research, the ESAP specific objectives would be best achieved by providing ESAP with the most extensive set of specifications that are user oriented. This would allow to also address language barriers and ensure quality of information. Option 3 seems therefore to be the preferable option.

2. Timeliness of information accessibility via the ESAP

2.1. **Option 1 - The information is made available by the national/EU collection point/s to the ESAP within a fixed deadline** (i.e. ESAP has a repository only function)

The national/EU collection point/s make the information received by the entities available to the ESAP within a fixed deadline. ESAP has a repository only function. ESAP will not provide users with timely information.

2.2. **Option 2 - The information is made available by a national/EU collection point to the ESAP within a predetermined timeframe** (i.e. ESAP has a repository function and makes the information available to the public in a timely manner)

The national/EU collection point/s make the information received by the entities available to the ESAP within a predetermined timeframe. ESAP has a repository function and makes the information available to the public in a timely manner (i.e. information appears on ESAP quickly but not before it appears on other media)

2.3. **Option 3 - The information is made available by the national/EU collection points to the ESAP immediately** (i.e. ESAP has a repository and a dissemination function)

The national/EU collection point/s make the information received by the entities available to the ESAP immediately. Notwithstanding other legal obligations, entities are prohibited from publishing information (on website, media, etc.) before it is made available on the ESAP. ESAP has a repository and a dissemination function (i.e. information appears first on ESAP and later everywhere else. ESAP will be the primary point of reference for the publication of the information).

2.4. Impact and comparison of the policy options regarding the timeliness of information accessibility via ESAP

Based on the outcome of the consultation activities, the large majority of users believe that the ESAP should not only have only a repository function for the entities' information, but also provide users with timely access to such information[231]. Timeliness is considered important to enable good analyses and fulfil regulatory and prudential obligations. The slight majority of national authorities and OAMs seem to prefer a repository only function[232]. While imposing a fixed timeline (Option 1) would make ESAP only a repository, providing real time access to the information on the ESAP (Option 3) would be ideal although at this stage it seems not feasible to have the information appear first on ESAP considering the need to have an intermediate passage between entities and ESAP (i.e. the collection points). Option 2 seems therefore to be the preferable option.

3. Ensuring data integrity and credibility of the source

Ensuring data integrity and credibility of the source is a clear expectation arising from consultation, even though there were some caveats expressed due to possible costs for filers.

There were split views as to the best system to ensure integrity of information and credibility of the source. About 28% of respondents to the targeted consultation suggested relying on electronic signature or seals at the source. A certification provided by the sole ESAP platform was an attractive way for 33% of respondents whereas 24% would suggest using other means / trust services. We examine these three options below.

Standard setters and other stakeholders supported in addition the use of a single global unique identifier.

3.1. Option 1 – EiD at collection point

The identity (eID) of preparers filing information to be ultimately on ESAP relies on electronic identities of entities (possibly verified by ways of electronic attestation of certain attributes, such as a LEI)[233] in order to verify the authentication of the issuer of the document at the level of the body collecting information from preparers. Trusted verification of a client's identity is common in the financial services where remote and trusted identification is needed. eID and trust services could for instance

[231] This is the view of 92% of the users participating to our workshop.
[232] This is the view of around 50% of the national authorities and OAMs participating to our workshop
[233] Commission proposal for a Regulation on as regards establishing a framework for a European Digital Identity. COM(2021) 281 final.

be used to prove the identity of the preparer when filing information with a collection point and ensure secure log-in to the service.

Administrative costs would be mainly borne by the collection point (national or ESA) for the necessary verifications, possibly involving interaction with the preparers.

3.2. **Option 2 – Certification by the ESAP**

The ESAP would certify the authenticity of electronic copies and extracts of documents and information retrieved from the ESAP, as an additional service provided. Such certification could be done electronically.

This would allow to guarantee any user that the electronic copies or extracts have been provided by the ESAP and that their content is a true copy of the document held by the ESAP or that it is consistent with the information contained therein.

Administrative costs would be mainly borne by the governing body of the ESAP.

3.3. **Option 3 – Electronic certificate at the source**

An electronic seal on each document would be mandated at the source, i.e. obtained by preparers, and provided together with the document to the collection point at the time of filing.

The legislation would require, on the basis of eIDAS Regulation[234], that an electronic seal (eSeal) based on certificates obtained from qualified trust service providers[235], and qualified electronic seal creation devices, accompanies the information filed by preparers with the collection points when that information must go to the ESAP. A legal entity identifier would be a mandatory attribute of the Certificate.

Costs would be borne at the source, by preparers of information.

3.4. **Impact and comparison of the policy options regarding data integrity and credibility of the source**

Option 1 may enable identification of the source to a certain extent, but cannot guarantee the integrity of information along the transmission chain from the preparer to the user. The system may in addition shift part of the responsibility over a document on the collection point as regards its integrity and identification of the source, which is not desirable as this would be a responsibility imposed on collection points on which they may not have control unless resource intensive processes are put in place.

Option 2 puts the onus on the ESAP to ensure authentication of information. This does not equate to ensuring the integrity of information as the authentication would occur at the time of delivery. Hence the level of certainty of this approach would rely on the extent of control of the ESAP on information, which is partial. In terms of responsibility over information, this could be seen as going beyond a responsibility

[234] The eIDAS Regulation is Regulation (EU) 910/2014 on electronic identification and trust services for electronic transactions in the internal market.
[235] List available on the Commission website: EU Trust Services Dashboard (europa.eu).

the ESAP can shoulder in normal circumstances. Besides, this service would not necessarily provide credibility of the source.

Option 3 is by contrast offering both credibility of the source and integrity of the information for users, regardless of the way the system is built or secured, along the chain from preparer to users (and re-use) whilst assuring preparers that information provided by the ESAP is undoubtedly the information they filed. This approach alters in no way the responsibility of preparers over information in the ESAP. Hence it offers the most effective solution. This option is also the most coherent with the eIDAS Regulation in terms of trusted services and direction of travel.

Option 3 is the preferred option. In terms of costs, option 3 would imply an annual charge in the range of EUR 600 per year per preparer filing information on the ESAP as a result of a legal reporting obligation, as follows:

- Cost of maintaining the entity identifier (e.g. the LEI of the GLEIF): around EUR 60
- Costs of maintaining the digital certificate (annual): around EUR 380
- Cost of maintaining a digital signing tool (or obtaining qualified trust services) (annual): around EUR 160

4. Ensuring data quality

A majority of respondents (69%), especially users, supported that information in the ESAP be subject to quality checks. There were divergent views among preparers, some of whom did not support any quality checks unless there is a proportional approach. Respondents to our targeted consultation overall believed that the source provider should keep responsibility to ensure the accuracy of the data it publishes but observed that where and how quality checks are done, it would also depend on the manner of sourcing information and transmission chain.

A number of users and preparers alike underlined that the ESAP should offer the ability to correct data over time. However, a few preparer respondents observed that entities should not be held liable for any problem in the transmission chain of information of the ESAP and that the establishment of the ESAP should not generate additional liability for entities.

Among users, many insisted that the quality of the data within the ESAP would determine the added value and usability of the ESAP for end investors to a large extent. To this purpose, there could be an indicator for each data entry whether the information has been reviewed by a national supervisor and/or whether it has been audited by a third party.

As regards which checks to be performed, respondents mentioned compliance with a relevant taxonomy and IT format (if any) (72%); completeness and availability of metadata (70%); timeliness of submission; plausibility of certain data (e.g. in comparison to previous reporting periods); ex post (manual) checks (e.g. with a focus on price sensitive data); and the absence of embedded viruses or malicious content. Automated validation tools are often cited as the most efficient way to go. A regulator noted nevertheless that automated validation would not eliminate the need for circuits for some manual validation, which means staff costs. A few respondents insisted that validation checks should be (maximum) harmonised.

Ensuring the quality of the content – for instance by ways of independent assurance services – should remain a prerogative of the EU sectoral legislation, as it would depend on the sensitivity of the information, the intended use, etc. Hence the ESAP quality checks should be on the form and rather limited on content. Besides, these checks could be automated as much as possible, as suggested by registers during workshops based on their experience, in order to reduce the need for human resources at collection point and for ensuring a swift service. Finally, a harmonised approach at the EU level seems necessary to ensure a level playing field as well as similar levels of trust in each dataset made available on the ESAP, as supported during consultation.

Two avenues are considered for the point at which validation checks could be done:

1. either at the collection point (validation checks performed by the collection point on data submitted by a filing company); or

2. centrally at the ESAP (validation checks performed by the ESAP on data submitted by the collection point).

Automated validation solely at the level of ESAP is not effective as a rejection by the ESAP would come late in the transmission chain, and in any event after the point in time in which the preparer's submission to the collection point would have been seemingly accepted. Besides, it would be more difficult for the governing body of the ESAP to offer assistance (help desk) with the preparer than the collection entry point. Automated validation by the collection point seems necessary to reject invalid information at a sufficient early stage to avoid the circulation of invalid information further down the chain. In any event, implementing automated validation would require that each collection point sets up local help desk in order to offer a communication channel to filers and be able to enter into a relation with the filing company if needed. A help desk would be most welcome especially for SMEs filing voluntarily information.

A mix of both avenues can also be envisaged. It would consist in standardised automated checks at the entry point, i.e. by the collection point, and additional validation checks by the governing body of the ESAP. Validation checks by the latter seem necessary to control that the collection points have done a good work and also to allow it to keep control over the information in the ESAP. Hence the governing body of the ESAP should be in a position to design common standards on these validation checks in order to keep control over the ultimate accuracy of information and ensure that harmonised approach is implemented throughout the EU, or alternatively to reproduce the same validation checks as implemented by the collection points.

The scale and costs of implementing validation checks and help desks by the collection points will depend on the extent of those checks (most likely to be determined by level 2 measures), the rejection rates (depending on the validation checks at ESAP level) as well as on the take up by SMEs voluntary filing and the existence nowadays of such help desks in each collection point. These variables make it difficult to assess the impacts of such measure. However additional costs for the collection points should be moderate for the following reasons:

- National and EU collection points already engage with filing entities due to current reporting obligations, hence already have contact points in place;

- Documents which are the most complex to check are those in the ESEF format. These are already subject to validation checks[236];

- Automated validations would be designed at the EU level in a harmonised manner (allowing for economies of scale in terms of development) and would be limited to mainly IT issues, enabling filers to try and solve issues on their own before entering into contact with the collection point.

Central checks at ESAP level as envisaged would come at marginal additional costs (either EU specific or doubling existing checks).

On this basis, the preferred approach is to implement harmonised automated validation to be performed both at the collection point entry point and at the ESAP entry point, complementary and automated to the highest possible extent. The Commission would retain powers to determine the nature and extent of those validation checks. Local help desks would be implemented by collection points.

5. Addressing language barriers

During consultation activities, most stakeholders underlined the need to address as much as possible language barriers to facilitate access to the information disclosed by entities[237]. Based on the consultation activities the following is the preferred approach to address language barriers:

i) *the ESAP functionalities for users could provide for an interface enabling a search function in all EU official languages or in a customary languages in the sphere of international finance*;
Respondents to the targeted consultation were divided whether to allow the search in a customary language in the sphere of international finance (around 50%) or in a multilingual approach (around 43%). This would enable users to search for corporate information in a language they are familiar with.

It is suggested to go for a multiple language approach for the search functions offered e.g. on a web portal. This is because the ESAP should be accessible not only to large investors but also to retail investors which may be interested in searching product-related information.

ii) *the ESAP functionalities for users could provide in addition for e-translation services*
This would enable users to obtain a quick machine translation of the information they want to read.

Such functionality could apply at least to metadata. In addition, building on the intention to promote further machine-readability of the information accessible via ESAP, could be introduced, a functionality providing automated translation of information would largely assist in overcoming the

[236] ESMA ESEF validation rules : ESEF Validation rules (europa.eu).
[237] In particular, more than 65% of the national authorities/OAMs participating to our workshop believe the ESAP should address language barriers.

language barrier – at least from a discovery perspective. Responsibility terms could be introduced to ensure that this service is provided only for discovery purposes, but cannot be relied on for other purposes as only the original version is legally binding.

This approach is the preferred one as it would enable the most effective approach in increasing the flow of information across borders, and facilitating the (digital) use. Costs for the ESAP would be integrated in the costs to develop the infrastructure / maintenance costs.

6. Removing certain barriers to access

During consultation activities, stakeholders reported that even seemingly small barriers to access, such as unfriendly User Interface, having to register or having to pay the smallest fee, pass Captcha tests, etc. create barriers to access which ultimately discourage data discovery.

Two options can be envisaged to address these barriers:

6.1. Option 1 – the governing body has mandate, but flexibility to address 'soft' barriers

In this option, the legislation would entrust the governing body with the task to see to it that barriers to access are reduced as much as possible for EU citizens, however would not enumerate barriers.

6.2. Option 2 – introduce legislative measures

With this option, the legislation would expressly enumerate and address the way barriers should be removed.

6.3. Impact and comparison of the policy options

Some of the barriers mentioned cannot be addressed via legislation. For instance, prescribing the design of a software User Interface in the law might result unnecessarily rigid and prone to inefficiencies. Besides, rules based legislation could appear as not proportionate and unnecessary un-flexible, should the need to evolve appear over time.

It is estimated that a governance system ensuring proper feedback of representative array of stakeholders would most likely be more efficient to address any such "soft" barriers, in a principles based light touch approach. This could be measured as part of e.g. user satisfaction surveys.

Access fees are a particular type of barrier that is otherwise addressed in the body of this impact assessment.

Option 1 is the preferred option.

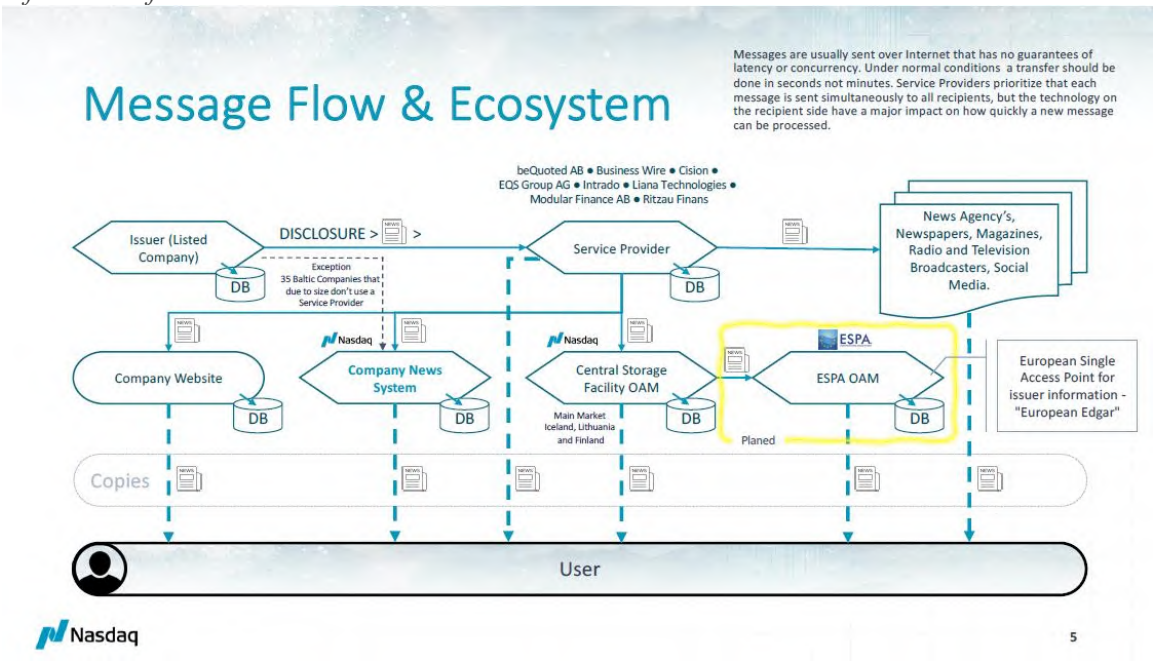
7. File only once

The CMU Action plan states that the ESAP will, to the greatest extent possible, build on existing EU and national IT infrastructure (databases, registers) in order to avoid adding to entities' reporting burden. In addition, the ESAP should seek to limit administrative burdens for entities by avoiding multiple reporting channels and by promoting a file-

only-once principle in a format accepted by all EU authorities/bodies/storage mechanisms.

The following figure illustrates the information flow for issuers of securities in Nordic countries. It shows that in order to handle the multiple reporting obligations, issuers usually uses a specialised service provider that takes care of the dissemination of information to the media, but also of filing information with the OAM, stock market, an issuer's website, etc. Filing information with NCAs or Business registers may not be part of these services, the price of which is estimated in the range of EUR 10/15k annually.

Information flow in the Nordic countries



Source: NASDAQ

In this way, the market caters for the file only once principle, at a certain cost. However, during consultation a couple of stakeholders remarked that the main driver of these costs is the dissemination of information through media over the EU, which is comparatively more costly than other filing obligations, company web site maintenance excluded.

A brief overview of other markets[238] (Germany, Ireland, Italy, Luxembourg, Poland) indicate that generally issuers must file information with the OAM, the NCA and as appropriate with the market operator separately. The dissemination by media mandated by the TD applies as well. In Austria, the OAM (OeKB) offers free forwarding of regulated information simultaneously to the Financial Market Authority (FMA) and Wiener Börse AG (WBAG), enabling filing in a single step[239]. Nevertheless, the OeKB indicates that the information can also be sent by the issuers' (dissemination) service provider (including Bloomberg, Reuters, APA, Österreichische Wertpapierdaten Service GmbH, pressetext, DGAP, euro adhoc or Wiener Zeitung) at the choice and expense of the issuer. In addition to the standard web portal, over half of the OAMs surveyed in 2011 had implemented some form of system-to-system connectivity with other filing or news/data dissemination systems. These remove the requirement for issuers to

[238] Source: FESE.
[239] OeKB.

make multiple filings to different systems within the Member State, and can streamline the filing process by allowing bulk filing from intermediaries' systems rather than online web forms for manual upload of documents[240].

Several options as regards the organisation of collection points are examined in Section 5.2.3. and the preferred option for the collection points in section 6.3.4 is to allow the Member States to decide which collection points should be interconnected with the ESAP. The prospects of simplifying the filing requirements for preparers is examined below.

The multiplication of filing points at national level is undeniably a burden, translating in costs to acquire specialised services depending on Member States and markets. The opportunity to avoid businesses to resubmit information/data is considered at least important by 92% of the respondents to a public consultation conducted in 2014[241] (no distinction is made between the national and the cross border context). However during consultation, certain preparers' representative supported the status quo as regards existing filing requirements, or at least if rules are changed, to ensure that no new burden or complication arises for preparers. One respondent dealing with SMEs thought that "entities already disclose a lot of information to their national authorities. As a first step, the ESAP could rely on automatic exchanges of information among national authorities".

Estonia, Netherlands and Belgium have already implemented laws that enforces the implementation of the file only once principle; in Estonia the approach selected was to explicitly force public administrations to re-use data already available in other public administration registries (art.43 of the Public Information Act); in Belgium, by means of Loi 5 Mai 2014 all federal administrations have been required to implement the OOP and use eID numbers to retrieve data form official registers; finally, in The Netherlands, legislation related to base registers oblige public services to make use of data contained therein[242]. Estonia has developed a solution for the exchange of data among registers of public administrations.

The preferred option is to retain several collection points at national level, including at least NCAs and OAMs. The ESAP could pursue in this setting a "file only once" approach at the national level that would leave flexibility to the Member States to implement it.

The 'file only once' principle would encompass all the national collection points involved in the ESAP, i.e.: NCAs (capital markets, banks, insurance) and OAMs (and possibly additional bodies collecting information for the ESAP as decided at Member State level), but also European collection points (ESAs). Hence a company would file any information that ultimately is made available in the ESAP only once, i.e. with either one of the national bodies involved as collecting points[243]. It would not be possible to impose, in light of proportionality and subsidiarity principles, and considering other usual legal obligations on entities (company law, tax) to mandate that the "file only once"

[240] Feasibility Study for a pan-European storage system for information disclosed by issuers of securities - Final Report, p.18, Actica, October 2011 (PB318D004 1.3).
[241] Study: EU-wide digital Once-Only Principle for citizens and businesses - Policy options and their impacts (SMART 2015/0062), European Commission, 2014, page 177.
[242] Same study, page 180.
[243] Even though deemed to be very rare, double filings between national and EU bodies would not be addressed.

principle covers other bodies than the collection points, even in cases of overlap with information collected for the ESAP. A main reason is that any alteration of filing obligation beyond the inner array of ESAP's collection points may have unintended legal and other consequences, such as an alteration of the underlying legal obligations on the filing. For instance, the obligation for a company to file accounting documents (Article 14(f) of Company Law Directive 2017/1132, Article 30 of Accounting Directive 2013/34/EU) imply a clear obligation impinging directly on companies towards the national business register, together with certain delays. This individual actionable legal obligation allows for instance Member States to implement administrative sanctions in case of non compliance. Likewise, filing information with a tax authority, a market operator, etc. have characteristics that are inherent to the objectives of each corresponding policy. It is therefore not appropriate to extend the file only once principle to cover these bodies, beyond the inner array of collection points intended for the ESAP.

In terms of impacts, a file only once approach would avoid that preparers file the same information multiple times at the national or EU level, but it would not limit the number of national collection points. Hence it would not disrupt the national landscape. In addition, flexibility should be left to the Member States as regards implementation, thus enabling a non-disruptive approach especially for those Member States that already have adopted this principle. A question is whether it could be considered that the use of a service provider is a relevant proxy for a file only once principle for issuers of securities. Indeed, issuers may use service providers to meet the obligation imposed by the Transparency Directive to disseminate information via media. Based on interviews of stock markets operators and OAMs, these providers usually include in the service offered the function of filing information with multiple bodies, including the national OAM. They report in addition that the dissemination function is by far the most costly part of the service offered by service providers, whereas other filing services such as filing with an OAM is generally ancillary and represent a small portion of the price of the service. Besides, as seen with the Austrian OAM (OeKB), certain collection points may offer the service of forwarding the information for a reasonable price (or for free) to other bodies. Hence it could be reasonable to consider that such services could represent, as long as they are ancillary or represent a small portion of the price of the filing costs, a reasonable way to implement a file only once approach. Nevertheless, this should not prevent the need for Member States to streamline the file only once by regulation, as issuers represent only a fraction of entities in the scope of the ESAP. This may imply costs for national collection points (e.g. to develop mutual alert systems to inform that some relevant information has been filed and is available in the ESAP) compared to the baseline. These costs would vary greatly depending on the Member State and the way in which the principle is implemented by each Member State and hence cannot be reasonably estimated. However, these costs would be minimal for 2/3 of the Member States, as de facto, NCAs (in the capital markets, banking and insurance sectors) and the OAM are a unique body in 8 Member States (CZ, DK, EE, HU, LV, PL, SK, SE), and as in 11 Member States, the NCAs and/or OAM boil down to 2 bodies (AT, BE, BU, DE, HR, FI, LT, LU, MT, NL, RO), even though perhaps somehow more difficult in 4 Member States where the OAM is a private body (FI, LT, LU, and MT). It would probably be more difficult to achieve a file only once principle in 8 Member States (i.e. a bit less than 1/3 of the Member States) where NCAs and OAM involve 3 or more bodies (CY, FR, EL, IE, IT, PT, SI, ES), and especially in CY, EL, IE, IT and SI where the OAM is a private body.

In the file only once approach proposed, preparers would continue to interact with the same collection points as today. Preparers (or their service provider as the case may be) would experience fewer filings leading to a slight decrease in compliance costs / burden especially in the 8 Member States where there are more than 2 collection points. The approach would avoid multiple filings as regards an estimated 10 reporting obligations in connection with the Transparency directive, Prospectus Regulation and Market Abuse Regulation.

A file only once approach is coherent with the objectives otherwise pursued by the Commission and the Union (Tallin declaration for instance[244]).

Implementing a file only once principle is therefore the preferred approach.

Considering cumulative impacts, a file only once would allow reduced compliance costs on a small scale mainly for issuers, on a few information, with potentially a small reduction in the price of service providers and it will bear effects mainly in about 8 Member States where there is more than one or two collection points (CY, FR, EL, IE, IT, PT, SI, ES). Additional costs could be incurred by collection points in these Member States to implement the file only once such as for providing the information collected to other collection points, however limited by the specific overlap of existing filing obligations, by the fact that the information filed only once will be made available to all in a timely manner to all via the ESAP, alleviating the need to implement specific transmission channels. It should however be recognised that the right to file only once might be waived where the submission to multiple regulators is necessary to perform regulatory tasks prescribed by the law.

8. Grand fathering

The ESAP will federate databases that are already in place, and contain data collected in the past. A question is, therefore, whether the ESAP should integrate this data in a retroactive process, thus giving access right from the start to a significant volume of documents. Two options are identified:

8.1. **Option 1 – retrospective approach**

In this option, past documents are made available in the ESAP. In respect of how far past in time, the period should not exceed the retention period decided by the Union (this impact assessment suggests 10 years).

8.2. **Option 2 – prospective approach – with an obligation for OAMs to maintain access to documents in repository over the next 10 years**

With this options, no past document is made available in the ESAP. Only newly filed documents from the date of implementation of the ESAP are available

8.3. **Impact and comparison of the policy options**

A retrospective approach would be the most effective in ensuring access to a vast array of documents to users, right from the start of the ESAP. However it could offer the expected ESAP functionalities only if such documents undergo certain operations such as adding

[244] Ministerial Declaration on eGovernment - the Tallinn Declaration – where all the European Union Member States and EFTA countries signed the 'eGovernement Declaration' on **6 October 2017**.

metadata, introducing e-stamps, possibly changing the format of documents, etc. This approach would entail significant administrative compliance costs for entities and registers in re-processing past data. Benefits would be undeniable (for instance to conduct comparative analysis) but not necessarily commensurate to those benefits as information loses relevance over time. Besides, there are also good chances that those who needed the information already have it and need not access again to it via the ESAP.

By contrast, option 2 would offer much fewer information from the start of ESAP, until normal is reached, and it would take 10 years to replenish the repository archives in the ESAP. This option would however avoid the burden of retrospective filing of all sorts of documents, especially by entities. But in compensation, there could be a mechanism to ensure that documents filed in national OAMs continue to be available as mandated by the EU law. Entities do not have such obligation in general as regards their website, and such obligation cannot be imposed on them via the ESAP.

A prospective implementation of the ESAP (Option 2) is the preferred option.

9. Retention period

The approach retained in the Transparency Directive (Art. 4) is a retention period of 10 years. It does not seem possible to retain a shorter period for the ESAP, yet there were no arguments during consultation from users to support a longer period. The ESAP could therefore similarly ensure that information remains publicly available for at least 10 years from the date upon which it was made available to the public. The ESAP would nevertheless comply with legal obligations where a legal act would provide for a short period, or foresee the withdrawal of certain information after a given period of time.

Table 8 - Overview of the policy options/preferred approach for the ancillary/technical/non-core aspects

ESAP functionalities	Timeliness of accessibility of information via ESAP	Integrity of information and credibility of the source	Data quality	Addressing language barriers	Removal of barriers to access	File only once	Grand fathering	Retention period
Option 1 Basic specifications infrastructure oriented **Option 2** Basic specifications infrastructure and user oriented **Option 3** Extensive set of specifications infrastructure and user oriented	**Option 1** Info is made available by the national/EU collection points to the ESAP within a fixed deadline **Option 2** Info is made available by the national/EU collection point to the ESAP within a predetermined timeframe **Option 3** Info is made available by the national/EU collection point to the ESAP immediately	**Option 1** eID at collection point **Option 2** Certification by the ESAP **Option 3** Electronic seal at the source	**Avenue 1** Harmonised validation checks at entry point (collection point) **Avenue 2** Validation checks at the ESAP entry point	**Option 1** Interface enabling a search function in all EU official languages **Option 2** Option 1 **+** Provide for e-translation services (at least for metadata)	**Option 1** The governing body addresses barriers (principles based approach) **Option 2** Legislative measures (rules based approach)	Entities have right to file an information only once. Applies to all (and solely) the national collection points involved in the ESAP, i.e.: NCAs (capital markets, banks, insurance) and OAMs.	**Option 1** Retrospective approach – past documents must be refilled in the ESAP **Option 2** Prospective approach	Info will remain available 10 years from the date upon which it was made available to the public

ANNEX 15: POLICY OPTIONS DISCARDED AT AN EARLY STAGE

1. Requiring entities to make accessible on the ESAP the information/documents published on a voluntary basis or based on national financial markets law beyond EU rules

The information published by EU entities on a voluntary basis or in any case beyond EU rules would have to be mandatorily accessible via ESAP.

This option was discarded at an early stage for the following reasons:

i) The ESAP is an EU initiative that aims to provide seamless access to financial and non-financial information published by entities according to EU financial markets legislation. Requiring the accessibility via the ESAP of the information disclosed on a voluntary basis or based on national law beyond EU rules would be disproportionate and fall outside the scope of this initiative;
ii) Requiring entities to make available via ESAP the information they disclose on a voluntary basis would be inconsistent with the fact that - under EU law - such information does not have to be mandatorily published in the first place;
iii) The majority of stakeholders are in favour of allowing (and not necessarily requiring) entities to choose whether to have accessible via ESAP their voluntary information disclosed on a voluntary basis or based on the relevant national law[245].

2. Accepting on the ESAP the voluntary information of third-country entities that are not in the scope of the EU financial markets law

Some stakeholders took the view that the ESAP should enable any third country private entity wishing to do so to make information, such as ESG information, available on the ESAP – for purposes of investing abroad in these entities or using their services.

In this regard, an option would be that third country entities that are not required to disclose their financial/sustainability-related information under EU law would be allowed to make such information accessible via the ESAP.

This option was discarded at an early stage for the following reason: one of the aims of the ESAP is to provide seamless access to financial and sustainability-related information that is of relevance for the EU financial markets (in accordance with EU strategies). Allowing third country entities that are not listed on the EU regulated markets to publish their information on the ESAP would bring in the scope information that is not relevant, possibly abiding to different standards, necessitate increased vigilance and controls, hence would generate unjustified costs for the designated collection points for no tangible result in the frame of the strategies pursued by the EU.

[245] Around 49% of the national/EU authorities participating to our workshops are in favour of allowing voluntary disclosure on the ESAP, as well as around 87% of the participating preparers, and around 96% of the participating users.

This could be examined once a viable single access point is built, for instance at the time of the evaluation of the ESAP legislation.

3. Requiring the entities to upload all the information directly on the ESAP (single EU point of collection for data)

Entities would have to upload all the information directly through the ESAP implying that national collection points would no longer be needed.

This option was discarded at an early stage for the following reasons:

i) Establishing a direct channel for upload would see the activity of the existing collection points extensively impacted and their business considerably reduced. Moreover, this option was supported only by a minority of stakeholders[246];
ii) Establishing an EU single collection point would not necessarily replace the national collection points (such as OAMs and NCAs) due to regulatory and other considerations, but it could de facto at least partly duplicate these;
iii) Where existing national collection points would not be replaced but supplemented by an EU collection point, then filing compliance costs for entities (which are estimated in any case to be modest) would not be reduced. A European collection point would represent just another filing point for entities. Administrative compliance costs would therefore increase (modestly) due to additional activities required such as login and password management, duplication of payment means, etc.
iv) Filing activities may imply the need to speak or read in a language in which persons are proficient. Natural persons in a given Member State may encounter problems necessitating to have live personal assistance (help desk), or be able to change data to correct errors, etc. A remote EU system would most likely not be as efficient as a national service for that matter and at least present challenges about the ability to provide such services in any given official language at Union level for a reasonable cost;
v) The closure or reduction of national collection points may thus not compensate for additional costs implied by a new EU infrastructure. Hence, unless such infrastructure is financed by EU funds, company contribution (such as upload fees) may increase;
vi) The CMU Action Plan invites to build to the greatest extent possible on existing EU and national IT infrastructure (databases, registers) in order to avoid adding to entities' reporting burden.

4. ESAP to be governed by the Joint Committee of the ESAs or a public-private partnership

Governance by the Joint Committee of the ESAs is discarded for a number of reasons. The Joint Committee is a forum with the objective of strengthening cooperation between the European Banking Authority (EBA), the European Insurance and Occupational

[246] Only 28.6% of the preparers participating to our workshop was in favour of submitting information to ESAP via one single EU entry point.

Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA). Through the Joint Committee, the three ESAs coordinate their supervisory activities in the scope of their respective responsibilities regularly and closely and ensure consistency in their practices. The main reason for discarding the Joint Committee as a governance body is that it has no legal personality and therefore cannot levy funds or fees and cannot own the project.

There was significant support during consultation for public-private partnership (PPP) to govern the ESAP. This option has however been discarded on legal grounds. PPPs are governed by Article 187 TFEU, typically involving the EU, industrial association(s) and other partners to draw up joint research programmes which the EU may participate in. These partnerships are managed by legal entities called joint undertakings which are responsible for implementing the research agenda in the area they cover. They support co-operative research across Europe in fields of key importance for industrial research, where there are clearly identified common technological and economic objectives. The EU law on ESAP would remain neutral on technological choices to be made by the governing body and thus not warranty that the ESAP would quality for Union research, technological development and demonstration programmes.

ANNEX 16: PHASED APPROACH FOR IMPLEMENTATION OF PREFERRED AGGREGATED OPTION

The implementation of the ESAP would run via the following phases, which reflect the differences between policy options for each key and non-key dimension (Each phase of the implementation listed below may involve different implementing stages/sub-phases).

PHASING IN FOR EU REQUIREMENTS (tentative)

	Initiation date	Description (tentative)
Phase 1	Date of entry into application of ESAP: Year X Indicative end of phase: Year X+2	• Scope: High priority on existing information claimed by users: prospectus (prospectus Regulation), annual financial reports of issuers including management reports and sustainability related information (TD), sustainable finance related information (SFDR). No voluntary information accepted (see Option 1 of Scope); • Format: All formats are accepted + common minimum set of metadata for all information in the scope; Existing machine readable information (ESEF, XML) available on ESAP. • Interconnections: the OAMs already deal with this information and are interconnected at this early stage of the project. • Commission decisions (level 2 measures): certain metadata (common legal entity identifier and where appropriate corresponding taxonomies), licensing terms, common standards on APIs.
Phase 2	Start: Year X+2 Indicative end of phase Year X+3	• Scope: In a gradual approach – based on the targeted consultation (users' priority results) – existing information from issuers of securities not covered in phase 1: inside information (market abuse), annual remuneration reports and other information (shareholders' rights / takeover bids). • Format: Commission empowerment starts to be used to implement, on a case by case basis, machine readable formats on certain information (including tentatively: and based on users' priorities: half yearly annual financial reports, audit reports, full management report, individual financial statements of issuers, notification of shareholders' rights (as described in the **first paragraph of** Option 2 of Format) • Interconnections: All OAMs, ESMA's databases and NCAs are interconnected. • Commission decisions (level 2 measures): certain additional metadata (in relation to phasing in on scope), characteristics of the qualified electronic seal, certain machine readable formats.
Phase 3	Start: Year X+4 Indicative end of	• Scope: ESAP provides access to all entity, product or other information that has to be published by any entity under the EU financial markets legislation (see annex 9) and similar information published by EU/third country

	phase Year X+7	entities in the scope of the EU financial markets law on a voluntary basis or in any case beyond the specific EU requirements. Other voluntary information (SMEs) taken on board. • Format: The scope of information in machine readable formats continues to expand based on successive and targeted Commission decisions. Formats that are "non data extractable" are no longer accepted (based on automated validation checks at the collection points). • Interconnections: All OAMs, ESAs and NCA's are interconnected. Other sources of information possibly interconnected (on a voluntary basis). • Commission decisions (level 2 measures): common standards on automated validation by the collection points, certain additional metadata (in relation to phasing in on scope, and where appropriate corresponding taxonomies), the timeframe for making information available from filing, conditions applying to voluntary information, and machine readable formats for certain information.

An indicative implementation roadmap proposal

PHASE 1

1. Internal POC

The internal POC (Proof of Concept) is a test for the design of the system. The main purpose of developing a POC is to demonstrate the functionality and to verify a certain concept or theory that can be achieved in development. The POC can be carried out in less than six months.

Data

The data to be included in the POC phase should be chosen as something that is easy to implement and dependent on the data providers selected to be part of the POC. It would also be practical to choose the data scope for the POC from the scope of the first actual implementation phase. Good candidates for data to be used in the POC are data reported under:

- The Transparency Directive
- The Accounting Directive

Technical functionalities and capabilities

Only the most fundamental features of the system should be developed for the purpose of the POC. These are recognized as (Component: Feature):

- API: Definition, implementation,
- Data storage: Data archiving,
- Metadata: Essentials (entity details, report type, submission details, standard classification for report types etc.) and
- Web UI for data users: Download report

2. Minimum viable product

The Minimum viable product (MVP) is the first production version of ESAP and it is aimed to be the simplest possible implementation of the system, while fulfilling the requirements that are considered to be the most important for the system to function.

Data

The data to be included in ESAP in the first production phase should follow the indication of the users' needs with consideration as to what is feasible in terms of the data providers, especially the

data currently already available at the OAMs or ESMAs data repositories reported under the Transparency Directive and the Accounting Directive (Corporate sustainability reports) should be prioritized.

Technical functionalities and capabilities

The MVP is to be considered the simplest version of the system fulfilling its main functional needs. These are recognized to be (additionally to those developed already in the earlier phase):

- API:
  - Data submission process
  - Data access
- Data storage:
  - Support for various data formats
  - Cloud implementation
- Data validation implementation
- Metadata:
  - Audit applied
  - Taxonomy / scheme used
  - Identifiers for data preparer and source registry
  - Check sum
  - Choose/define framework
- Core features of the web user interface for data users:
  - Search functionality
  - Report displaying functionality
  - Search results filtering
  - Language switch, metadata definitions

The ESAP Infrastructure related deployment building of data pipelines and developing security measures are considered to be an on-going activity.

PHASES 2 AND 3

3. Phasing

After the first production version the system shall be developed in sprints. In this implementation plan a span of four following years of development are covered to line up the realization of the entire data scope and recognized functionalities for ESAP. The phases are rolling in one-year plans forward starting from year T (the year that MPV is released) e.g., T+1 means by the end of 2025 (estimation). For technical functionalities, the initially recognised ones are scheduled to be developed by the end of phase T+4 but most likely there is some level of new feature related development every year.

Data

Further prioritization is suggested for the following years to include data in ESAP (T marks the point of MVP release and the "+" marking following years from that point onwards). In terms of machine readability, the prioritisation should be similar but not to the same extend, as it may be types of information that can be provided in data extractable formats and thus there is no need for further structuring (for example textual only information)

T+1, disclosures under regulation:

- Information on sustainability risks and impacts disclosed pursuant to the Regulation (EU) 2019/2088 on sustainability-related disclosures
- The Regulation on EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks (EU 2019/2089)

T+2, disclosures under regulation:

- The Prospectus Regulation (2017/1129/EU)
- The Shareholders Rights Directive (2007/36/EC) and (2017/828/EU)

T+3, disclosures under regulation:

- The Take-Over Bid Directive (2004/25/EC)
- The Market Abuse Regulation (596/2014/EU)
- The Audit Directive (2014/56/EU)
- The Audit Regulation (537/2014/EU)

The rest of the L1 reporting obligations would be included in the phase T+4. It should be noted that many of the above-mentioned reporting obligations also contain data that is currently only published at the entity website and thus the collection should be first regulated.

Technical functionalities and capabilities

The following components and features are recommended to be included in the further phases of ESAP implementation:

T+1

- Notification system: Send notifications of new filings to data users (follow-up email list)
- Web UI for data users
  - Feedback functionality
  - Taxonomy viewer / AI translator
- Metadata:
  - Definitions publicly available
  - Metadata extensions for instruments
  - Creation, updated fields; versioning support for disclosures
- Data storage:
  - Versioning
  - Files validation, storage and reception
- API: Data access further development

T+2

- Connectivity to other databases: Fetch data from other sources
- Web UI for data users
  - Bulk download
- Web UI for data preparers
  - Submit data to ESAP
- Metadata
  - Various identifiers
  - Voluntary filing
  - Include details on data quality or assurance mechanism applied
- Notification system, Metadata
  - Send feedback messages provided by ESAP to data preparers (entity contact details to be included in metadata)
- Connectivity to ownership databases: Fetch & display details of ownership and beneficiary structure

T+3:

- Data validation: Implement additional non-technical data validation
- Metadata
  - Errors
  - Validation mechanisms applied
  - Web UI for data users
  - Bulk download based on multi criteria search result
  - Display new metadata to be included (validation mechanisms applied, errors)
  - Data comparison

ANNEX 17: INFRASTRUCTURE AND COSTS

The infrastructure should enable the functionalities and specifications laid down by legislation for the ESAP, and ensure the technical interoperability[247] of the system. It should ensure smooth and high quality of service, security of storage and communication, reliable access, etc. The technical design of the infrastructure will be a prerogative of the governing body of the ESAP, and therefore this Annex provides a couple of suggested realistic avenues, which are retained as a basis for the costs assumptions.

A – Infrastructure recommended by BR-AG

In the process of developing the ESAP, a number of infrastructure designs where examined. An indicative model (potential design) was identified as the one offering the best potential having regards to the main elements of the infrastructure:

1. Data distribution model,

2. Synchronization protocol,

3. User interfaces,

4. Source code sharing,

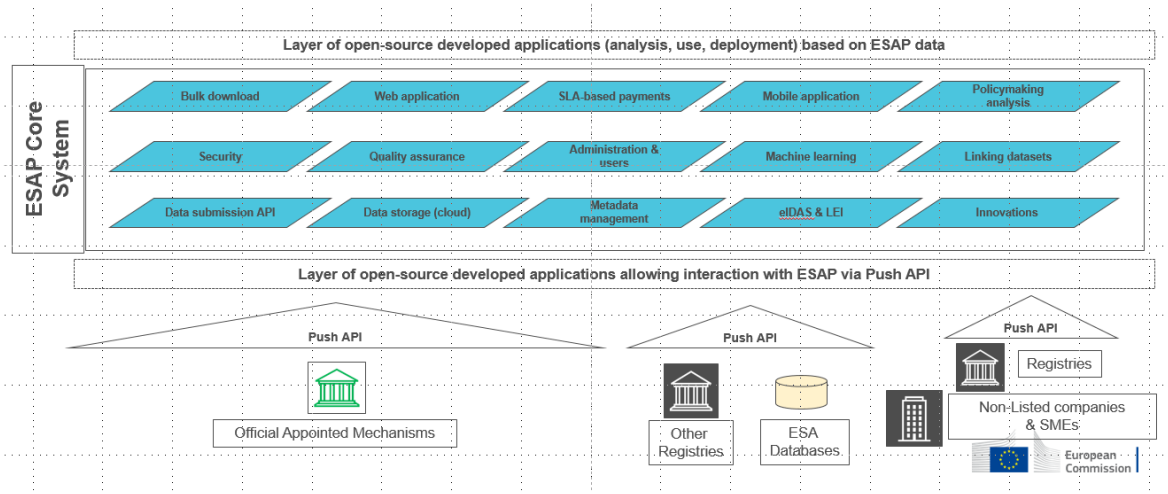
5. Use of existing solutions,

6. Authorization of entities reporting directly to ESAP,

7. Deployment of the system.

Visual presentation

An indicative infrastructure model is as follows:



[247] Technical interoperability" covers the applications and infrastructures linking systems and services, including aspects such as interface specifications, interconnection services, data presentation and exchange, and secure communication protocols.

Data distribution

Regarding data distribution, 'Duplicated' model was recognized to be the most suitable where the data is kept in the original data repository (e.g., an OAM) and a copy of it is shared to ESAP. Although recognized as quite beneficial, the 'Centralized' model where ESAP would replace all the exiting data collecting mechanisms, is thus not recommended at this stage as it would require vast changes on the regulative side. To cater future use cases for ESAP, it would be beneficial to implement the system as at least enabling a hybrid solution the 'Duplicated' and the 'Metadata repository' models where there could be data included also as a set of metadata and the actual reports to be discoverable only via a link to the original repository.

In the duplicated model ESAP shall contain metadata and a copy of the reported data existing in the repositories that are in its scope, resulting in broad availability of data. In this approach it is not necessary to introduce any changes to the existing data collection processes on any level. However, changes in the publication process might be required to ensure that data is discoverable at the same point in time in ESAP as in the original repositories. To prevent data asymmetry, regulation should foresee that ESAP always contains the latest information available in the original repository.

A hybrid of the 'Duplicated' and the 'Metadata repository' models could be envisaged, where the data repository for actual reports would be implemented as an optional one, while also enabling for some of the data to include the metadata and the reports to be discoverable only via the link to the original repository.

In the metadata repository model ESAP shall contain only a set of metadata about the reporting entity and the report itself. The reported data remains only in the existing repositories, while ESAP contains a direct link to the document. In this approach it is not necessary to introduce any changes to the existing data collection processes. Putting in place a hybrid model would give an option to data repositories what would be their mode of data distribution with ESAP.

Data synchronization

Based on the assessment, high-level APIs seem to be a more flexible solution, with data push model chosen as the recommended option. In 'data push', the components participating in synchronization are limited to ESAP exposing API for data push requests and to source systems pushing the collected data into ESAP. The sequence of action is that first data registries receive data and then push it to ESAP.

The strength of this solution is that ESAP is not dependent on changes made in data source systems. This model implies more work for data sources, but in return it provides for a low coupling of ESAP with source systems. Data push, as a high-level API, is more in line with the current data submission/dissemination mechanisms that require less specific technology skills. Since the speed of data synchronization is instrumental, the push mechanism provides a relatively quick solution.

The data push model has a high level of availability of interfaces allowing to upload. For flexibility and independence of the solutions data push is a better option, because it hides technological complexity and architecture, so that when amount or complexity of data require changes on the physical level of data storage, only ESAP will be able to make them (without major impact on the APIs that are used for integration). The data push model implies that data sources only push data through ESAP API. The data sources

store data locally in parallel to ESAP, enabling checks for immutability for instance. Hence, the data push model is in line with the file only once principle. As to the security of data exchange, data push can be implemented assuring secure data exchange with encryption of data being transmitted. When it comes to preservation of information, stability for data push will need to be managed on the level of the system design.

Open -source development and building on existing

Next, in terms of the sharing of code the biggest value would be to build and share libraries that can be used for consumption of the data published by ESAP. Open-source components imply open specifications/standards and wide availability of interfaces. They provide high usability of data and solutions, broad accessibility for all stakeholders and citizens, and better interconnectedness than closed source. The costs of development and maintenance (infrastructure, licenses, human resources) of open-source solutions are lower than for closed-sources.

Use case: CKAN

Regarding the use of existing open-source solutions, CKAN (the Comprehensive Knowledge Archive Network) which is an open-source DMS (data management system) for powering data hubs and data portals widely used in e.g., open data government portals throughout the World. Building the solution on top of CKAN is the recommended option because it brings openness, transparency, and reusability. CKAN comes with existing structure and architecture for data storage and publication with exposed API and a user interface that can be customized. Many open data platforms were developed with CKAN, including the European Open Data Portal.

ESAP implementation should start with a PoC, proving that CKAN can be used with as many data sets as planned in the ESAP scope. The technology stack of CKAN is scalable, but what could potentially have influence on ESAP is when CKAN poses any limitations resulting from design and implementation. CKAN fits well with the existing data dissemination mechanisms because its interface is already well-known, many European open data portals are built around it. Also, for data submission CKAN aligns with the proposed data push option. In terms of openness, CKAN supports multiple open data formats, like csv, xls, rdf and others, but it lacks support for XBRL, which is important in ESAP. Hence, it will require implementation of support for XBRL. As it is an open source, ESAP would benefit from experience of many implementations of open data portals. Existing interfaces of CKAN are proven to make data available and understandable. In cases where CKAN is not fit for purpose, the changes needed will be on the level of the front end.

Deployment

Cloud deployment of the ESAP system is recognized as the recommended option. Use of cloud technologies has become an industry standard, as it gives scalability, minimizes maintenance work, meets even strict security requirements, and enhances data accessibility. One recommendation in this respect is to avoid being locked to a given cloud provider. Certain platform-as-a-service products are specific only to providers and migration to other vendors may become restricted, e.g., by a choice of a specific database technology. On the other hand, longer term use of a particular cloud provider can significantly reduce costs of infrastructure and platform products, and if sufficient design strategy is implemented, development with specific cloud products could be significantly quicker. The impact of migration can be minimized with proper separation of services in

ESAP, at least medium-term planning of development and deployment decisions and with service development not dependent on database technology.

A phasing-based implementation plan is recommended, where the phasing would be applied to technical development, the data to be included in the system together with its transition to machine readable data.

The implementation plan is divided into three main stages: Internal POC (phase 'T'), Minimum viable product (MVP) (end of phase 'T+1' and further phasing. The POC is suggested to be completed by the end of 2022, whereas the first production version, the MVP, a year after that by end of 2023. Given the uncertainty as to when the POC could start (depending on legislative process and availability of funds), periods T and T1 are bundled and considered to be achieved in one year. Further phasing for the rest of the technical features and full data scope to be included was laid out until the end of 2027 corresponding overall to a 5 years period in the best case scenario, which is retained for this impact assessment.

Indicative costs

The indicative costs associated with the above described model of infrastructure that could be seen as an implementing roadmap for the preferred options are presented in the following table. The 5 phases of this model are indicative and aim to present a project to be implemented in 4 to 5 years after the Proof of Concept (maximum 1 year per phase):

ESAP infrastructure expenditure plan (numbers in EUR) Proof of Concept + 5 implementing phases							
	PoC	**Phase 1**	**Phase 2**	**Phase 3**	**Phase 4**	**Phase 5**	**TOTAL**
Work on functionalities and capabilities development	275 000	2 987 500	1 125 000	662 500	1 125 000	-	**6 175 000**
Licence fees	30 000	750 000	150 000	150 000	150 000	150 000	**1 380 000**
System maintenance	-	68 750	815 625	1 096 875	1 262 500	1 543 750	**4 787 500**
Cloud compute infrastructure	10 000	35 000	50 000	80 000	125 000	175 000	**475 000**
Cloud storage costs	-	173	1 917	4 270	6 936	12 497	**25 973**
Cloud network + operations	-	520	5 230	7 061	7 997	16 680	**37 488**
Total per Phase	**315 000**	**3 841 943**	**2 147 771**	**2 000 707**	**2 677 432**	**1 897 926**	**12 880 781**
Cost for data providers (OAMs, ESAs, other connecting data repositories)							
API implementation		25 000		These costs are to implement the basic APIs and metadata that could be ideally common (re-usable) for all points of interconnection (OAMs-NCAs). Minor modification could be needed at the collection points			
Metadata implementation		25 000					
Total		**50 000**					

ANNEX 18: LEGAL ENTITY IDENTIFIER

The ESAP would require a common legal entity identifier (lei) as one of the key metadata inherent to documents filed in the ESAP. The intervention's approach is to grant powers to the Commission to decide which "lei" should be relied upon.

Various standards and solutions exist for an lei, such as the eALEI[248], the EUID[249], VAT number[250], the LEI of the Global Legal Entity Identifier Foundation (GLEIF).

In this initiative, it is proposed to retain an lei as a mandatory metadata for all filers of information, recognising that the same type of lei is necessary metadata to enable a truly comparable and searchable functions. However, no decision on which lei would be chosen at this stage needs to be made at this stage, all the more that the ESAP should permit an evolutionary position in this matter depending on how standardisation evolves in that domain. It is therefore envisaged to empower the Commission to decide at a later stage whether a single lei is required for the ESAP, and if so which one. Among these, the LEI of the GLEIF appears as a promising approach (see analysis below). For this reason, and in order to offer a realistic vision of the costs of this initiative, the LEI of the GLEIF is retained tentatively and anticipatively in the cost calculations (Annex 3, impacts). This should in no way pre-empt future Commission decisions in this domain.

Analysis of the LEI of the GLEIF

The GLEIF enables a global adoption of this LEI, an objective underpinned by the Financial Stability Board together with the finance ministers and central bank governors represented in the G20. The GLEIF was founded in 2014 under the aegis of the Regulatory Oversight Committee (ROC), a group of more than 65 financial markets regulators and other public authorities and 19 observers from more than 50 countries. The European Commission, the ESAs, the ECB as well as a number of European authorities are members of the ROC. In its role as overseer of the Global Legal Entity Identifier Foundation (GLEIF), the ROC ensures that GLEIF upholds the principles of the Global LEI System. The European Systemic Risk Board's (ESRB)[251] recommends using the LEI for all legal entities in the EU.

The Legal Entity Identifier (LEI) of the GLEIF is a 20-character, alpha-numeric, ISO compliant code[252]. Besides, LEIs are linked to the International Securities Identification Numbers (ISINs) on a daily basis[253].

The LEI of the GLEIF is already referenced in the following EU Regulations and/or their regulatory technical standards for ensuring unique identification of issuers, counterparties or relevant entities:

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[248] ealei.org.

[249] Member States shall ensure that companies have a European unique identifier ('EUID') as per Company Law Directive (EU) 2017/1132, generally issued by business registers.

[250] VAT identification number is the unique number that identifies a taxable person (business) or non-taxable legal entity that is registered for VAT. Only tax administrations have the right to issue a VAT number. Most businesses (and other persons carrying out an economic activity) need a VAT number as per Article 214 VAT Directive 2006/112/EC.

[251] Recommendation of 24 September 2020 on identifying legal entities (ESRB/2020/12).

[252] International Organization for Standardization.

[253] ISIN-to-LEI relationship files, which are publicly available on the GLEIF website.

- European Markets Infrastructure Regulation (EMIR) – counterparties to derivatives contracts as well as beneficiaries, brokers, CCPs and clearing members;
- Market Abuse Regulation (MAR) – issuers of financial instruments; entities involved or reporting in suspicious transactions;
- Capital Requirements Regulation (CRR) – credit and financial institutions;
- Alternative Investment Funds Directive (AIFMD) – funds and fund managers;
- Credit Rating Agencies Regulation (CRAR) – credit rating agencies and rated entities;
- Solvency II – pension funds and insurance companies;
- Central Securities Depositories Regulation (CSDR) – CSDs, CSDs' participants;
- Transparency Directive (TD) / Prospectus Regulation (PR) – issuers of securities listed on Regulated Markets;
- Securities Financing Transactions Regulation (SFTR) – parties involved in securities financing transactions and the beneficiaries of the rights and obligations arising from these
- Markets in Financial Instruments Directive II (MiFID II)/Markets in Financial Instruments Regulation (MiFIR) – for investment firms that execute transactions in financial instruments, the clients (buyer, seller) on whose behalf the investment firm executes transactions, the entity submitting a transaction report (i.e. trading venue, ARM, investment firm) and the issuer of any financial instrument listed and/or traded on a trading venue. New EU rules (MiFID II/MIFIR) took effect on 3 January 2018. According to MiFIR, investment firms should obtain LEIs from their clients before providing services which would trigger related reporting obligations. To further streamline the issuance of LEIs, GLEIF has introduced the concept of the 'Registration Agent'. A Registration Agent helps legal entities to access the network of LEI issuing organizations responsible for performing LEI issuance and related services. The Registration Agent may choose to partner with one or more LEI issuing organizations to ensure its clients' needs for LEI services are met.
- Regulation on Money Market Funds (MMF) – fund
- Regulation on Wholesale Energy Market Integrity and Transparency (REMIT) – market participant or counterparty

Being an international service, the LEI of the GLEIF enables third country companies in the scope of the EU Regulations, if any, to acquire and provide the same identifier as the EU companies, and thus be on par.

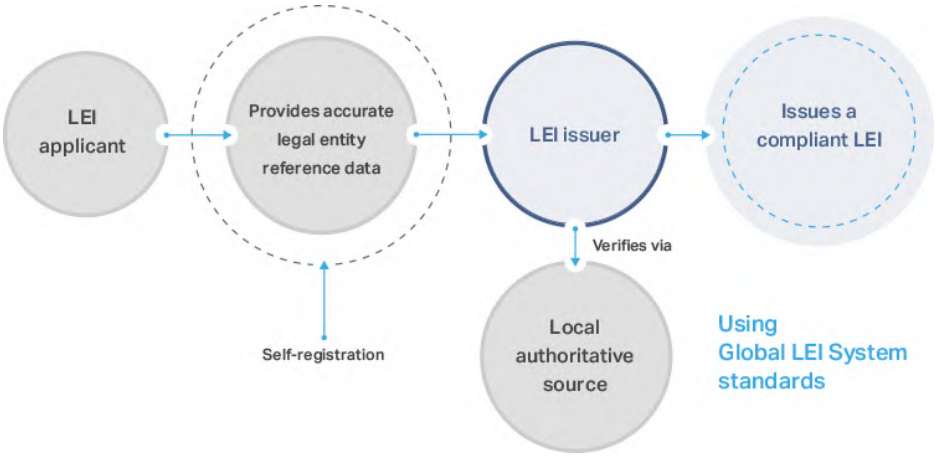
The reporting obligations requiring an LEI of the GLEIF represent 78% of the reporting obligations for which at least 62% of an estimated 167 000 entities in the scope of the ESAP (considering preferred option) already have an LEI. A portion of market participants (that would mainly post product-related information in the ESAP) as well as SMEs/non-listed entities may not yet have an LEI of the GLEIF, because they are not required to. Nevertheless, in the EU, 1 027 200 entities had an LEI[254] as of May 2021, hence minimising the chances that markets participants may not have an LEI. In any event, requiring an LEI for any filer of document would add a requirement on certain

[254] LEI Statistics - Global LEI Index - LEI Data – GLEIF.

existing EU policies not requiring such LEI, hence driving a maximum of 76 800 entities (higher bound) to get an LEI.

Acquiring an LEI is done as follows:

- A company can get an LEI from a certified GLEIF LEI issuing organization registration Agent. LEI issuers – also referred to as Local Operating Units (there are around 10 LOUs in the EU at this stage).
- The LOU must verify the reference data with the local Registration Authority[255] – a national Business Register, for example – and issue an LEI compliant with the LEI standard.



Source: GLEIF

- Fees charged for the issuance and maintenance of an LEI are entirely a matter for the LEI issuing organizations and must be cost-based. A desktop survey in May 2021 indicates prices in the range of EUR 45 to EUR 70 per year. This LEI would represent total additional annual costs in the range of EUR 3.1 to 4.8 million[256] at Union level (higher bound) compared to baseline. Prices are expected to decrease over time.
- Entities that have or acquire an LEI would report their 'ultimate accounting consolidating parent' (based on accounting definition). Information on parents is part, where available, of the information provided.

[255] List available on the GLEIF web site.
[256] 167 000 entities x (1-0.62) x EUR 50 to 75.

ANNEX 19: TERMS OF USE – AN OVERVIEW OF FIVE MAJOR REPRESENTATIVE FINANCIAL CENTRES IN THE EU

	Officially Appointed Mechanism (OAM)	Type	Public / private body	Terms of use (general)	Terms of use (specific)
FRANCE	Directorate of Legal and Administrative Information (Prime Minister's office)	Governmental	public	Free access / limited restraints on reuse	Open licence (Etalab v2.0) Obligation to specify source.
GERMANY	Bundesanzeiger	Specialised Register	public	Free access / strong restraints on reuse	The information cannot be reused but just consulted
IRELAND	Euronext stock exchange	Stock exchange	private	Free access / strong restraints on reuse	Information is protected by copyright, database right, trademark and other proprietary rights owned and controlled by Euronext Dublin or the party credited as the provider. Users agree not to reproduce, duplicate copy, republish, redistribute, transmit, alter, edit re-sell or otherwise exploit any part of the Website.
LUXEMBOURG	Luxembourg Stock Exchange	Stock exchange	private	Free access / strong restraints on reuse	Reuse implying display: need to enter into a Market Data Dissemination Agreement with LuxSE Reuse not implying display: need to enter into a Non-Display Information Usage Agreement with LuxSE
NETHERLANDS	Dutch Authority for the Financial Markets (AFM)	Market supervisor	public	Free access / limited restraints on reuse	The AFM reserves copyright to its website. The information on this website may not be taken over and/or disseminated, in whole or in part, and in any way, unless with the explicit indication of the AFM as reference. The information on the website may only be copied and/or distributed in whole or in part in any manner whatsoever with the explicit acknowledgement of the AFM as the source.

ANNEX 20: PORTABLE DATA / DATA EXTRACTABLE FORMATS / MACHINE READABILITY

Portable Data

Data portability refers to the ability to move, copy or transfer data easily from one database, storage or IT environment to another. Portability describes the extent to which the data can easily be ported between different computers and operational environments.

Data portability primarily enables individual end users or enterprises to seamlessly move, integrate and interlink data sets within disparate systems. Typically for data portability to work, the data must be in a format that is interoperable between several platforms. Open and widely used formats would enable data portability by default.

Data portability concerns are especially common in cloud computing solutions when data needs to be transferred from an in-house facility to the cloud, from the cloud to an in-house facility or from the cloud to another location in the cloud. If data portability is addressed prior to creating a cloud setup or any IT solution, data can easily be ported between separate environments and platforms.

Data Extractable Format

File formats that allow data extraction. Some examples of formats that allow data extraction are PDFs, Texts, Word or Excel documents, webpages-HTML.

Data extraction is the process of collecting or retrieving disparate types of data from a variety of sources. These sources can be not only in a structured form but in many cases poorly organized or completely unstructured and from different formats. Data extraction makes it possible to consolidate, process, and refine data so that it can be stored in a centralized location in order to be transformed. These locations may be on-site, cloud-based, or a hybrid of the two.

Data extraction is the first step in both ETL (extract, transform, load) and ELT (extract, load, transform) processes. ETL/ELT are themselves part of a complete data integration strategy that is used by entities and organizations in virtually every industry for many purposes. The use of ETL tools automates and simplifies the extraction process. Key technologies that are used to enable data extraction from unstructured sources are Natural Language Processing, Machine Learning and Artificial Intelligence.

Machine-readable formats

The Directive on open data and the re-use of public sector information[257] defines machine-readable format as:

"A file format structured so that software applications can easily identify, recognise and extract specific data, including individual statements of fact, and their internal structure."

The term 'machine-readable', when used with respect to data, means data in a format that can be easily processed by a computer without human intervention while ensuring no semantic meaning is lost.

[257] Article 2, definition (13) L_2019172EN.01005601.xml (europa.eu).

Traditional word processing documents, hypertext mark-up language (HTML) and portable document format (PDF) files are easily read by humans but typically are difficult for machines to interpret. Other formats such as extensible mark-up language (XML), (xHTML), (JSON), or spreadsheets with header columns that can be exported as comma separated values (CSV) are machine readable formats.

Machine readability can have different benefits and requires different effort from the stakeholders involved depending on the level of standardization that is decided/required.

The highest level of machine readability requires higher effort to be made by the legislator and the preparers to meet the requirements. On the other side the highest level of machine readability brings the maximum benefits for all stakeholders and enables full comparability and the lowest cost for data re-use. The lower levels of machine readability requires less effort from preparers and legislators but the benefits for the users are not really significant as information would be in simple formats that may allow a user to read only the information. The effort for users to re-use the information or compare it would be very high, if not impossible. Only the use of high-cost solutions (software or platforms) could provide with comparability and re-usability in this case.

The following table presents the relation between the levels of machine readability to be achieved and the standardization requirements and how these options affect the benefits for stakeholders and the effort that is required from them:

	REQUIREMENTS IN:			EFFORT FOR:			BENEFITS
	METADATA	**DATA STRUCTURING**	**FORMATS**	**LEGISLATOR**	**PREPARER**	**USERS (compare)**	**CUMULATIVE**
MACHINE READABILITY							
High level	↑	↑	Only Machine readable	↑	↑	↓	↑
Medium level	↑	↑	Machine readable or data extractable	↑	↑	↓	↑
Low level	Basic	None	Machine readable or data extractable	Minimum	None	Maximum	Low

↑ Increasing from the lower level

↓ Decreasing from the lower level

ANNEX 21: BR-AG SUMMARY REPORT



1. THE AIM OF THE REPORT

The main objective for the EU Single Access Point (ESAP) is to become a worldwide digital access platform to companies' public financial and non-financial information, as well as other

financial product or activity-relevant public information, which is freely accessible to the public and free of fees or license use[258].

ESAP addresses two key objectives of the Capital Markets Union Action Plan (CMU Action Plan): (i) supporting a green, digital, inclusive, and resilient economic recovery by making financing more accessible to European companies and (ii) integrating national capital markets into a genuine single market[259]. Its establishment is mandated in Action 1 of the CMU Action Plan, which states that the Commission will propose to set up an EU-wide platform (European single access point) that provides investors with seamless access to financial and sustainability-related company information.

This summary of research carried out by the Business Reporting – Advisory Group (BR-AG) to assist the European Commission on impact assessment of ESAP aims to present recommendations and solutions on ESAP that concern:

- data scope and characteristics,
- technical infrastructure,
- usability,
- governance model,
- implementation strategy with implementation roadmap, and
- cost-benefit analysis.

The findings presented in this document are based on a collection of reports submitted by BR-AG to DG FISMA under the assignment "Assistance to the European Commission on impact assessment – The European Single Access Point (ESAP) – A way to incentivise availability, standardisation and comparability of financial and non-financial information published by companies, including on SMEs".

2. ESAP DATA SCOPE AND DATA CHARACTERISTICS

2.1. DATA SCOPE

A review of EU financial and non-financial legislation was carried out and public consultations were undertaken to gather evidence on the scope of data to be included in ESAP. It aimed to provide insights on all Level 1 reporting obligations for public disclosures by entities in the EU and to develop a complete and up-to-date[260] information repository. This data provided the basis for an in-depth analysis on the development of ESAP. It also served to assess how data gathering should be implemented and what impact it has on the preparers and other stakeholders. Therefore, this task went beyond public disclosures required in the Transparency Directive and identified public reporting obligations set by Level 1 Measures (L1M)[261] governing various policies under the supervision of ESAs[262]. Thirty-six reporting frameworks were analysed, with 383 public disclosures identified, of which 207 information disclosures by entities. The review covered regulated public information disclosed by entities, including information provided by the EC, national authorities, supervisory functions, and capital markets, while it did not cover supervisory financial requirements[263].

The findings of the research are that the context of reporting requirements is frequently insufficiently and only partially specified (e.g., data format or data quality assurance mechanism). Hence, NCAs or ESAs may define their own reporting requirements deemed most adequate for the national or the EU level of supervision. Since some legal provisions fail to provide more detailed information on, inter alia, the format of disclosures, this results in a lack of standardisation at the EU and national levels. In this respect, ESAP could contribute to

[258] *A new Vision for Europe's capital markets. Final Report of the High Level Forum on the Capital Markets Union, p. 30.*
[259] *Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A Capital Markets Union for people and businesses-new action plan, COM/2020/590 final.*
[260] *With a cut-off date on 31/12/2020.*
[261] *Reporting obligations defined in L2Ms and L3Ms were excluded from the analysis. These documents were used as a source of additional information required to complete the research.*
[262] *The set of reporting frameworks in the project's scope included: AD, AIFMD, AuD, AuR, BMR, BRRD, Covered bonds directive, CRAR, CRR, CSDR, ELTIF, EMIR, EuSEF, EuVECA, FICOD, IFD, IFR, IORP II, MAR, MIFID II, MIFIR, MMF, PEPP, PR, PRIIPs, REMIT, Securitisation Regulation, SFTR, Shareholders rights, Solvency II, SSR, SUSTAINABILITY, Take-over bid, TD, UCITS.*
[263] *Commission Staff Working Document Fitness Check of EU Supervisory Reporting Requirements, 1. Introduction, p. 10.*

reducing the burden of insufficiently standardised reporting by introducing and promoting common reporting practices.

Therefore, ESAP would have a broad set of data scope, with the only limitation being that the data must be public, entity related and freely accessible. Its data scope is also not limited by any aspect, like entity size, sector, legal form or home country. The results of public consultation show that the top five frameworks, receiving the highest score and reflecting users' preference on ESAP scope, were Non-Financial Reporting Directive, Transparency Directive, Accounting Directive, Sustainability disclosures and Prospectus Regulation. The examination of relevant sustainability related legislation confirms the necessity to include Environmental Social and Corporate Governance (ESG) information as part of public data repository. In this regard, ESAP shall help standardise the content and format of this information and might encourage non-listed companies to also disclose such information.

It is recommended that the ESAP governing bodies should have control over data that is included in the system and of its timing, since it could be done in complete sets of data per reporting framework or be phased by a given country.

2.2. DATA PROVIDERS

The ESAs possess vast data repositories that should supply ESAP with public disclosures data. For these repositories, assessment of the timeliness of the data will be determining if the data is collected on the ESAs level (preferred option) or on the national level (second option). Moreover, the existing data collection mechanisms of regulated information should also supply ESAP with data. In this respect, it is recommended to make use of the Officially Appointed Mechanisms (OAMs), introduced pursuant to the Transparency Directive (TD), which already operate in all member states. OAMs could be further regulated to implement data transmission to ESAP. The same mechanism might be extended to all the other data collection in the scope of ESAP.

In case of voluntary filings, such as public disclosures not mandated to be filed to any OAM, or SMEs and non-listed entities' data, the ESAP portal should allow entities to directly submit data. Similarly, on a voluntary basis any other official national data register, like business register, might want to connect to ESAP and send data.

2.3. SMES AND NON-LISTED ENTITIES DATA

Facilitating access to SMEs and non-listed entities data should effectively reduce barriers to investment and broaden the base of potential investors, in particular for SMEs with limited or no access to capital markets and operating in less developed local markets.

The research identifies areas for potential standardisation to reduce the risk of imposing disproportionate burden on small businesses. It is recommended that the following SME-relevant information must be rendered comparable on a cross-border basis: (i) financial information, (ii) sustainability-related disclosures, and (iii) entity identification.

Stakeholders' feedback collected in public consultations points to a shared view that SMEs data should be included in ESAP. Results of the public consultation indicate a clear preference towards a set of comparable key financial and sustainability-related information. The research provides overview of relevant regulations and best practices, in selected Member States, regarding areas that are recommended for standardization.

The options for providing SMEs data to ESAP that have been examined include:

- Phased-in approach, with pilot groups of users/data preparers and data scope;
- Minimum level of standardised data scope for SMEs to be defined based on most shared data fields in researched data disclosures in Europe (basic information levels for financial and non-financial data, considering simplification and proportionality as well as current scopes of data disclosures by SMEs in selected existing schemes and commonalities between them);

- Technical options to provide SMEs data into ESAP that are aligned with the mechanism envisaged for other data included in ESAP. Possible interconnection channels may include an intermediary e.g., OAMs;
- Gradual alignment with ESAP rules applicable to larger and listed companies, since public consultations indicate that filings done on a voluntary basis by SMEs or non-listed companies should follow all the rules of ESAP.

2.4. DATA CHARACTERISTICS

It is recommended that ESAP shall promote the use of machine-readable data, but machine-readability is not in itself a requirement for the data to be included in ESAP. It should be realised through harmonisation of the data contents and development of a common taxonomies or schemes. The governing bodies or the Commission shall recognize the appropriate organisation or mechanism to carry out the tasks of harmonisation and developing standard structures to facilitate the reporting for machine-readable data. The governing bodies shall also recognize and advance the necessary legal amendments to implement reporting in the standardised format across Member States when applicable. Based on responses provided in public consultations the top five areas for machine-readability include: financial statements, listed companies' half yearly financial reports, sustainability related information, management report and audit report.

For all structured data, the schema/taxonomy should be developed and fully harmonised at the EU level, wherever applicable, to maximise stakeholders' benefits. Common standards and reporting formats should be used, which in turn translates into better and more affordable reporting tools. The assessment of the performance of different data formats suggests that wherever both human and machine readability are important for the reported data, Inline XBRL performs the best among structured data formats, followed by XBRL-XML, XHTML and JSON. If only machine-readability is important, data formats like JSON or XBRL Open Information Model (CSV/JSON) provide better performance. Regarding the usability of the data, it is recommended to avoid images and scanned PDF documents.

ESAP shall also include a standard set of metadata that can be extended in a predefined, centralized and harmonized manner per report type (e.g., identifiers, industry, assurance and/or validation mechanisms applied, auditing applied, taxonomy/scheme, source registry or other).

3. TECHNICAL INFRASTRUCTURE

The recommendations on ESAP technical infrastructure relate to its data distribution and data synchronization models, open-source development, and deployment of the system.

Based on the assessment and ranking of four data distribution models, it is recommended to build ESAP on the 'Duplicated' model or as a hybrid of the 'Duplicated' and the 'Metadata repository' model. In the duplicated model, ESAP contains metadata and a copy of the reported data existing in original repositories that are in its scope. This model does not require changes in the existing data collection processes but necessitates modifications in the publication of data to ensure that it is discoverable at the same point in time in ESAP and in original repositories. To prevent data asymmetry, ESAP should always have the latest information that is available in original repositories. In the metadata repository model, ESAP contains only a set of metadata about the reporting entity and the report itself. The reported data remains in original repositories, with ESAP having a direct link to the document. This model also does not require changes in the existing data collection processes and, likewise, necessitates modifications in the publication of data to ensure that ESAP has the metadata and the link to the document once it is published in the actual data repository. To diminish risks to data immutability and links' integrity, high-level APIs supplement well this approach to data distribution. Changes brought by those two models towards stakeholders are considered moderate.

The assessment and ranking of data synchronization models allowed to choose the data push model (high-level API) as the recommended option. In data push, ESAP exposes API for data requests and source systems push the collected data into ESAP. The data sources store data locally in parallel to ESAP, therefore the model is in line with the file only once principle. The strength of the model is that it provides for a low coupling of ESAP with source systems. Hence, ESAP is not dependent on changes made in data source systems, but the model also

hides technological complexity and architecture, so that when amount or complexity of data require changes on the physical level of data storage, only ESAP is able to make them without major impact on the APIs that are used for integration. Data push can be implemented assuring secure data exchange with encryption of data that is transmitted. Since the speed of data synchronization is instrumental, the push mechanism provides a relatively quick solution. When it comes to preservation of information, stability for data push must be managed on the level of the system design.

It is also recommended to develop ESAP on open-source solutions. Open-source components imply open specifications/standards and wide availability of interfaces. They provide high usability of data, broad accessibility for all stakeholders and citizens, and better interconnectedness than closed sources. Building the solution on top of CKAN (the Comprehensive Knowledge Archive Network) is the recommended option because it brings openness, transparency, and reusability. CKAN is an open-source DMS (data management system) for powering open data hubs and data portals that is widely used e.g., in the European Open Data Portal. The technology stack of CKAN is scalable, it fits well with the existing data dissemination mechanisms because its interface has proven to make data available and understandable. CKAN supports multiple open data formats, like csv, xls, rdf and others, but lacks support for XBRL, hence, it will require implementation of XBRL support. Also, for data submission CKAN aligns with the proposed data push option. It is put forward that ESAP implementation should start with a Proof of Concept, to ensure that CKAN can be used with multiple data sets envisaged for the scope of ESAP.

Cloud deployment of the ESAP system is the recommended option. Use of cloud technologies has become an industry standard, as it gives scalability, minimizes maintenance work, meets even strict security requirements, and enhances data accessibility. In this respect it is suggested to avoid being locked to a particular cloud provider with migration to other vendors restricted e.g., by a choice of specific database technology. Hence, medium-term planning of development and deployment decisions and service development not dependent on database technology are key to mitigate the negative impact of any migration. On the other hand, longer term use of a particular cloud provider can significantly reduce costs of infrastructure and platform products, and if sufficient design strategy is implemented, development with specific cloud products could be significantly quicker.

4. SOLUTIONS TO IMPROVE USABILITY

The report provides recommendations on functionalities and technical capabilities that aim to improve the usability of ESAP.

Users of ESAP were classified based on the nature and role of their interaction with the system. As such, the group consists of users interacting with ESAP directly and engaged with the system indirectly. Users are further classified as: authorities; data preparers, comprising issuers and reporting companies; intermediaries, such as data/service providers; investors/market users; registers; and others (NGOs, consumers, academia, statistics agencies, or regulators).

The recommendations on ESAP functionalities have priorities assigned, depending on their importance for the system implementation. With the first priority proposals being key for the system to work and to fulfil its purpose, most of them aim to facilitate users' experience. The initial focus should be to enable simple search functions, with the analytical part to be considered in the later stages. Great deal of consideration should also be put into the definition of metadata schemes to improve the understandability and to enable efficient search and multi-language support for the system. It is recommended that ESAP shall be easy to access, also to individuals and non-professional investors, with information provided in a legible manner that allows to conveniently read and analyse the report. ESAP website/portal shall be user-friendly, having clean and intuitive navigation, with data search results presented clearly (e.g., sorting by criteria). Users must be able to understand data content and its context from the search results alone. For this reason, it shall provide information identifying reports found and their type. It shall be possible to search through and download original reports.

The second priority proposals on functionalities are considered beneficial but are not critical for the system to fulfil its purpose. Many among them indicate that it shall be possible to search data based on various metadata attached to the reports, e.g.: an LEI, an indicator of

audited values, level of machine readability, found errors, language and data being filed voluntarily or not. Another set of functional requirements are related to data access and availability - it needs to be available in ESAP as soon as it is available anywhere else. There is also users' value in automatable ways of the search and download of data, which could be enabled by system notifications and bulk-download via API. It shall be possible to download selected data in standardised format. Also, providing a feedback loop and connecting ESAP to systems that give ownership and investment structure information were identified to be beneficial.

The recommendations on ESAP technical capabilities also have priorities assigned. The first priority proposals are vital for the system to work and in this respect ESAP will be part of critical infrastructure, being the main access point for public disclosures in the EU. This is reflected in several security related technical requirements: implementing data storage in geographically diversified manner, providing a mechanism to ensure data immutability and being able to determine the original source of a given report. The first level technical requirement for ESAP is also to be able to keep the reported data and metadata attached to it. The data shall be up-to-date and in machine readable format when possible and justifiable. ESAP shall also incorporate and be based around a standardised metadata model.

The second priority proposals on technical capabilities are beneficial for the system to implement but are not perceived as critical. Hence, it is recommended that ESAP should have a functioning API for both data users and providers. ESAP should be able to collect data from various source repositories and to combine them into a searchable and accessible set, regardless of its format. If possible, ESAP shall reuse existing infrastructure for collecting and distributing data. Entities shall also be able to directly share data through ESAP. Regardless of the source, it shall be possible to fetch data automatically. ESAP should be able to function as a central point for users, regarding the data covered. At the same time, it shall promote a set of standardised metadata that enables searching and some level of comparability through added KPIs. Data in ESAP shall be provided in a format allowing for comparison with public registers, but ESAP shall not be limited by any data formats applied to the reported data. Data shall be presented and available in a consistent format and using well-defined reporting standards and it shall contain information on all the report amendments (a log of changes). Reported data should have a notion about validation mechanisms applied and about data quality or assurance mechanisms applied.

5. PRINCIPLES APPLIED TO ESAP

The assessment of options for ESAP development allowed to formulate proposals for ten common principles that are instrumental in achieving its objectives:

1) Data access shall be, in general, free for all users.
2) There shall be no added costs or only limited added costs for preparers and file only once principle should be applied.
3) Data shall be accessible in ESAP at the same time as it is accessible anywhere else.
4) ESAP shall not be limited by any data formats used on the reported data.
5) ESAP shall not impose any new reporting requirements on the disclosure level[264].
6) ESAP, as a system, shall be extensible by design.
7) ESAP shall contain "raw data".
8) Entities of all types shall be able to directly share data through ESAP.
9) ESAP shall enable storage of the reported data in ESAP repository.
10) ESAP shall promote but not require:
    a) use of structured data,
    b) data quality improving mechanisms (validations, assurance, auditing),
    c) harmonisation of reporting data contents.

6. GOVERNANCE OF ESAP

The research identified and evaluated seven governance approaches, and it was recommended to govern ESAP based on a hybrid of a strong regulatory leadership and a joint

[264] *The implementation of the system should not create new reporting requirements beyond those required by specific legislation. Potential new burdens on reporting entities may arise, for example, from adapting the formats and tagging of reports.*

undertaking model. However, in the light of the cost-benefit analysis, where almost one million Euro of additional budget would be required to finance the joint undertaking model, it is recommended to implement a strong regulatory leadership governance model that enables stakeholder engagement.

In the strong regulatory leadership model, a single entity/agency is equipped with legal and financial powers, as well as resources to coordinate and lead efforts related to establishment and operation of ESAP. Joint undertaking is a public-private partnership where relevant representatives of the EU bodies, national regulators and industry representatives form a board responsible for the governing processes required in the system development and maintenance.

It is recommended to implement a governance model that evolves in time and that is strictly related to the scope of ESAP. It is proposed to establish a model that is based on the principles of the strong regulatory leadership. ESMA, indicated as the leader, shall be provided with the oversight of the technical implementation of the ESAP system and ensure its delivery within the agreed timelines. ESMA should follow its internal processes for the contracting of external resources (procurement), requirements' analysis (business requirements and functional specifications), development, quality assurance and testing activities as well as the formal approval through the IT Management and Governance Technical Committee (ITMG) and different standing committees (e.g., Corporate Reporting Standing Committee [CRSC]). Involvement of the standing committees would ensure coverage of relevant requirements from different stakeholder groups, including private entities and professional bodies. This approach allows for a transparent governance of the system and ensures relevant feedback from affected stakeholders.

7. IMPLEMENTATION PLAN AND COST ASSESSMENT

7.1. IMPLEMENTATION STRATEGY AND ROADMAP

7.1.1. IMPLEMENTATION STRATEGY

The recommendation of the High Level Forum (HLF) on the Capital Markets Union is to adopt a staged approach to ESAP implementation[265]. The research and analysis undertaken by BR-AG supports this strategy and provides recommendations for the phasing of ESAP.

The phasing of ESAP implementation by data scope proposed by the HLF is divided into three stages: (i) all public information, including non-financial statements, of companies with securities listed on EU regulated markets; (ii) public information disclosed by companies on SME Growth Markets, documents prepared under the UCITS and AIFM Directives, sustainability-related companies' public information disclosed pursuant to sustainable finance legislation; and (iii) market-relevant information made public pursuant to prudential or other legislation. The findings of public consultations, along with other stakeholder engagements, support this approach. Since the assumption is made that the data in the public EU and national level registries is up-to date, the recommendation is to ensure timeliness of chosen information scope in the ESAP repository. With regard to voluntary disclosure of public information by non-listed companies, including non-listed SMEs, it is not perceived to be feasible to enforce all reporting entities to submit data directly to ESAP, at least in the near future, as there is a lot of legal and technical challenges, such as reliable authentication of the entities. Therefore, it is recommended to first amend the relevant legislation for these filings to enforce national authorities to collect data and share it with ESAP. The report identifies immediate needs for amendments regarding data dissemination and provides a list of the relevant legislation.

Phasing by machine readability is recommended and the report suggests the order in which it is preferable to develop the standardised schemes for the reporting frameworks. Public consultations revealed that the most sought-after data to be available in machine-readable format were in the categories of financial statements, listed companies' half yearly financial reports and sustainability-related information. The standardisation should preferably be in relation to all frameworks where the information from the given category is included, to avoid

[265] *A new Vision for Europe's capital markets. Final Report of the High Level Forum on the Capital Markets Union, p. 30.*

overlapping definitions, and the report provides a list of relevant legislation. Furthermore, based on the needs of data users indicated in the public consultation, the recommendation is to standardise and structuralize the reported data for additional eighteen types of public disclosures that include, inter alia, management report, audit report, total number of voting rights and capital, payments to governments or remuneration policies.

It is also put forward to phase the implementation by the amount of metadata included in the ESAP filings. In the first stage, the mandatory set of metadata should be what is currently available to the data providers, but the metadata scheme could already contain some optional information. In the coming stages of the implementation, the set of metadata should be expanded to cover supplementary information. Simultaneously, the standardised extension mechanism for the metadata scheme should be provided to enable the use of additional metadata for different report types.

Phasing by data preparers, as also suggested by the HLF, is a corollary of the stages applied in the implementation of data scope. Implementation of ESAP in phases regarding data providers is also recommended, first starting with ESAs public repositories and, second, complemented with OAMs repositories. The possibility for reporting entities to directly submit data to ESAP or other public national data repositories (not identified as OAMs) should be included only in later development stages.

It is recommended to build system functionalities and technical capabilities gradually, while learning from the users' feedback. Such approach aims to implement in the first place the features that are recognised as the most important for the system users, whilst trying to stabilize the implementation costs per phase. The report assigns priorities to various functional and technical capabilities, which should guide the implementation.

7.1.2. IMPLEMENTATION ROADMAP

The implementation plan is divided into three main stages of development:

- Internal Proof of Concept, scheduled to be completed by the end of 2022,
- Minimum Viable Product, scheduled to be completed by the end of 2023,
- Phasing and continuous development from 2023 onwards, with rolling out in one-year plans.

For each of these stages a high-level plan is presented that recommends the implementation strategy, along the lines present above, for: (i) data scope (ii) data providers, (iii) system functionalities and technical capabilities, (iv) governance model and funding.

7.2. RESULTS OF THE COST-BENEFIT ANALYSIS

The cost-benefit analysis (CBA) is based on the results of research and recommendations in the areas of data scope and characteristics, technical infrastructure, system usability and governance that are summarised beforehand.

The CBA aims to present an estimation of accumulated costs and perceived benefits for ESAP per its respective development phases. The costs are divided between consecutive years of development throughout which all the aspects of ESAP should be realised.

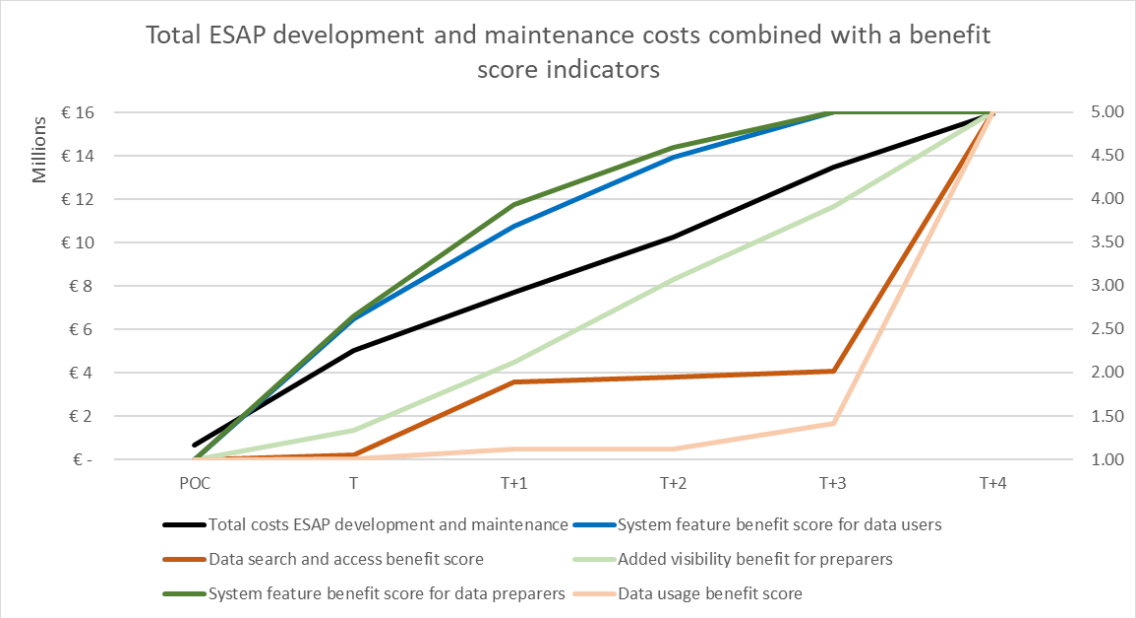
The total development and maintenance costs of ESAP are estimated to be around 16 million Euro during five years, with the bulk of the costs related to: (i) work on functionalities and capabilities development; (ii) system maintenance; (iii) licence fees; and (iv) governance model administrative costs. The research also provides estimation of the additional costs incurred by data providers (one-off implementation costs and ongoing validation or assurance mechanisms' costs) and data preparers (ongoing filing costs, costs of structuralising data and of maintaining reporting tools), which are not included in the CBA.

The estimated benefits are difficult to monetize, hence a score is provided to offer some insights on how the benefits will accumulate in reference to the implementation costs. The research identifies three scores that are scaled to give each of them the same value of insight: (i) System feature benefit score: derived from the benefit scores of each implemented feature

as they fulfil the requirements defined in the usability report; (ii) Data search and access benefit score: derived from scores for current data searching and accessing effort multiplied by the score for users' desire to have the data and the amount of data preparers for each public disclosure data being available in each phase of ESAP implementation; and (iii) Data usage benefit score: derived from scores from current effort to use the data multiplied by the score for the users' desire for machine readability and by the amount of data preparers for each public disclosure make available in machine readable format in each phase of ESAP implementation.

Two scores were also defined to reflect the benefits for data preparers: (i) System feature benefit score for data preparers: derived from the benefit scores of each implemented feature as they fulfil the requirements defined in the usability report; and (ii) Added visibility benefit for preparers: based on the estimated number of downloads multiplied by the amount of data users and divided by the amount of reporting entities to reflect the added visibility for one data preparer. Figure 10 below present an overview of the total development and maintenance costs and the expected benefits for stakeholders.

Figure 7: Total accumulated development, maintenance and governance costs and perceived benefits for ESAP



Both data preparers and users benefit from the system since its launch and the benefits seem to grow in a higher pace than the total costs, which is a good indicator of the systems' usefulness. The benefits for the data users on the data search, data access and usage side, however, seem to grow a bit slower as the bulk of the data contents is to be included in the scope of ESAP at the phase T+4. Similarly, for the data preparers the benefit of added visibility rises slightly slower in relation to the total costs, as less data and relatively narrow data scope might attract less data users to the system in its first phases.

A number of access points identified on the basis of a desktop survey were identified. The analysis below seeks to assess to what extent the access points identified could solve the problems identified. This overview does not represent the data market in its entirety, but seeks to provide illustrative examples of alternatives to paid services from data aggregators.

IssuersHub

IssuersHub is a Mobile Application launched by EuropeanIssuers, concentrated on real time dissemination of information published by listed companies on EU capital markets. This app meets regulatory disclosure requirements assigned to MAD/MAR framework.

EuropeanIssuers is the pan-European organisation representing the interests of publicly quoted companies across Europe to the EU Institutions. Governed by non-profit association is not based on EU law, hence dissemination of information is voluntary, and database is not complete. Access to data is free of charge.

Public information disclosures in this system focus on listed companies, which is narrower than the intended coverage of this initiative covering 33 reporting frameworks. This app does not aim to allow as well SMEs to publish information, an important feature of this initiative. Filing by companies is voluntary hence there is no guarantee on the completeness of data coverage.

The European Committee of Central Balance-Sheet Data Offices (ECCBSO) – BACH and ERICA

Bach and Erica are website portals launched by ECCBSO, concentrated on dissemination of annual accounts statistics published by non-financial corporations.

ECCBSO comprised of a group of European National Central Banks, provides statistics (including in bulk downloads) on company data via databases BACH (Bank for the Accounts of Companies Harmonized) and ERICA (European Records of IFRS Consolidated Accounts). Databases are not updated in real time (latest data in BACH are mostly from 2019, in ERICA from 2018) and scope of data from country perspective is limited. Dataset (with free access) are exported to csv (statistics not per given company, but by selected country(ies).

Public information disclosures in ESAP scope are much wider than annual accounts statistics. Moreover, limited scope of analysed countries undermines the potential for European integration of regulated information under ESAP project.

XBRL International repository

This repository is website portal launched by XBRL International, concentrated on dissemination of annual financial reports published by issuers (European public companies and PIEs) in the ESEF format.

This portal meets regulatory disclosure requirements assigned to Transparency Directive framework. Dataset are updated periodically (real time updating not required) in standardised manner (via JSON and/or XBRL) for limited number of countries (currently free access database contains companies from 18 countries).

Public information disclosures in ESAP scope are much wider than annual financial reports in ESEF format (in ESAP, ESEF reporting requirement is only a single reporting obligation) and should cover both listed and non-listed companies. Moreover, limited scope of analysed countries does not prove that there is potential for European integration of regulated information under ESAP project.

eFIRDS

eFIRDS is website portals launched by Nordic Trustee, concentrated on dissemination of financial instruments information published by companies in European capital market.

Private European Data System provides access to data, which is sourced directly from ESMA FIRDS, FCA FIRDS (UK), GLEIF and other relevant databases. Access to data is, either via a web portal or via automated API and feed delivery, either for free (limited) or via subscribed services. Access to data in web portal is provided via search of issuer (by LEI code or name) or instrument (ISIN) listed on any recognized trading venue in the EU and UK. Results present information about products and issuers.

Public information disclosures in the scope of this initiative are much wider than information about financial instruments. Moreover, information is presented in non-standardised manner (as a dashboard) which may not facilitate implementation of big data and AI based services to improve the quality and accuracy of reports.

World REG Info

Worldreginfo is website portal launched by private company Labrador, concentrated on dissemination of regulated information published by listed companies.

Labrador provides free of charge access to financial data of companies from Africa, America, Asia, Europe and Oceania. It is not directly indicated, if scope of information is published under financial services laws (EU legal acts). Published dataset is not updated in a real time and as presented in a website header, from 30 June 2020 service has a technical break. Access to data in web portal is provided via search of issuer, type of information and industry. Results present list of selected information, mostly in pdf format.

Initiative, as presented on website for more than year has a technical break. From ESAP perspective, repository should be strongly technically supported to minimize the time when the portal is inactive.

North Data

North Data is a private website portal supported by external investor groups, concentrated on dissemination of information such as: trade registers, annual reports, funding registers, trademark records, patent registries and others published by companies in European capital market.

Immense amount of data is distilled and compiled using Big Data and Artificial Intelligence methods. Access to data is updated in real time (daily) and provided via search of issuer, but mostly available only via subscribed services.

It is not directly indicated, if scope of information is published under financial services laws (EU legal acts). Moreover, limited scope of analysed countries (Austria, Germany, Luxembourg, Poland, Switzerland, UK) does not prove that there is potential for European integration of regulated information under ESAP project.

OpenCorporates

OpenCorporates, a UK based company, aims to make high-quality, official company data openly available to the public. Data that can be trusted, accessed, analysed and interrogated either via a web portal or APIs offering results in predetermined formats. It claims data of 160+ m companies in the database, with over 500 clients and millions of monthly users.

Generally, OpenCorporates sells bulk data by global region e.g. North America or Europe with two different license types depending on how the data is going to be used (internal or external distribution). Bulk data is delivered on a monthly or quarterly basis.

Despite being incorporated as a company, OpenCorporates has a public benefit business model underpinned by its independence. It makes all its data freely available on the web (and as structured data to NGOs and journalists).

Nevertheless, OpenCorporates' collection of information depends on the availability of raw information from registers, etc. The company reports difficulties in the collection of data, hence is calling itself for a better access to raw data at the Union level supported by this initiative, and invites the EU to address:

- the governance models for data collection and dissemination
- the scope of the information
- the specifications to be met to make information machine readable
- ways to remove barriers and improve access, use and reuse of the information

Calcbench

Based in New York and Cambridge, MA, USA, Calcbench is a financial data platform designed for detailed fundamental research. Calcbench allows analysts to access data (numbers and text) in financial statements.

Calcbench is powered by XBRL. Within minutes of filing, Calcbench pulls data from the SEC's corporate financial repository to provide analysts with as-filed data, in line-item detail over **12 000** listed public companies, tracing back every value to the source document.

Calcbench offers paid subscription to access their services. It focuses on companies listed in the US, hence cannot represent an alternative solution to access pan EU information.