



The European Single Electronic Format

A new era for annual financial reporting



Welcome to the future

For annual reporting periods starting on or after 1 January 2020, entities that issue securities admitted to trading on a regulated market in the European Union will be required to prepare annual reports in the European Single Electronic Format ("ESEF").



What does the ESEF entail?

1

Annual financial reports are to be prepared in **xHTML format**.

2

Consolidated financial statements prepared in accordance with IFRS included in the annual financial report must be **XBRL tagged**, using the IFRS taxonomy.

3

XBRL tags are embedded in the xHTML document using the **Inline XBRL ("iXBRL")** specifications.

XBRL standard changes the format and not the content of the financial information, making it machine-readable



Timeframe

1

Phase I
January 2020

-primary financial statements

2

Phase II
January 2022

-notes
-other explanatory information



Skip steps and save time & resources with KPMG

The XBRL tagging requirements for the **consolidated financial statements** will impact both the primary financial statements (i.e. income statement, balance sheet, statement of cash flows and statement of changes in equity) and the notes and other explanatory information from the IFRS annual reports. This means that adjustments to the existing reporting processes and use of additional software tools to ensure compliance will be required.



What we can provide

Expert assistance



The first ESEF reporting may give rise to interpretations of the IFRS taxonomy. The knowledge and experience of KPMG experts in the field of IFRS taxonomy will help you save time and avoid errors.

KPMG XBRL Tool



The XBRL Tool is a software that supports the XBRL tagging process and preparation of iXBRL compliant xHTML documents. As part of the software licence you can get:

1. **KPMG XBRL Tool installation package**, with user manual, that enables you to prepare iXBRL reports meeting ESEF requirements.
2. **Consultations with KPMG employees** involved in the implementation and initial application of the tool when tagging the financial statements for the first time.



Please get in touch and we will be happy to discuss in more detail



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