

Finance Finland’s response to the European Commission targeted consultation on the establishment of a European single access point (ESAP) for financial and non-financial information publicly disclosed by companies

Finance Finland’s key priorities in ESAP:

- Ensure access to ESG data, especially to information that is disclosed following the taxonomy regulation, SFDR and non-financial reporting directive.
- On financial information side, no new reporting obligations should be introduced.
- Priority should be to collect information on company’s key financial and non-financial operations. We do not see the point in including financial product information to ESAP.

1 General questions

In this first section of the consultation, the Commission seeks to get stakeholders’ views on some general questions regarding the features of the European single access point (ESAP). The Commission seeks views on which information stakeholders generally search for, where they search for it, in which format(s) and the barriers stakeholders might encounter. This will also help the Commission to prioritise which aspects should be considered immediately when developing ESAP, and which could be implemented at a later stage.

1. Please rate the following characteristics of ESAP based on how relevant they are according to you (please rate each item from 1 to 5: “1”: fully disagree, “2”: somewhat disagree, “3”: neutral, “4”: somewhat agree, ”5”: fully agree and “no opinion”):

	1	2	3	4	5	No opinion
The information quality (accuracy and completeness) is most important					x	

The widest possible scope of the information is most important		x				
The timeliness of the information is most important				x		
The source of the information is a key element to know					x	
The immutability of the information is a key element			x			
ESAP should include information made public on a voluntary basis by non-listed companies of any size, including SMEs				x		
ESAP should include information made public on a voluntary basis by financial market actors				x		
Other aspects, if so which ones:						

Please explain your position in the text box below providing your arguments, and where appropriate, concrete examples and data to support your answers:

We advocate for clear prioritization in setting up the ESAP. The starting point should be to ease access to ESG data and add financial data only later if it can be done relatively easily and without adding to companies' administrative work. The ESAP needs to be transparent regarding the source of information, and accuracy is more important than scope. It should be possible to correct the data afterwards if mistakes are spotted, but any modifications must leave a trace to the system.

2. Which channels do you use when searching for, retrieving or using companies' public information? (Multiple choice allowed)

Company's website

Data aggregation service providers

Stock Exchanges

Public repositories or databases (OAMs, NCAs, ESAs)

Other

3. Would you say that the cost for retrieving and using companies' public information is?

Immaterial

Average

High

High costs are mostly related to the ESG data, which often needs to be bought from various data providers.

4. In which electronic format is companies' public information provided by these channels?

- XBRL
- PDF
- XML
- HTML
- CSV, TXT
- Excel
- Formats enabling natural language processing
- Other

5. Do you encounter barriers or difficulties when accessing the information?

YES

NO

ESG-data is spread across different locations in different formats. It is often not comparable, or it might not be accessible at all.

6. Do you encounter barriers or difficulties when using the information?

YES

NO

Lack of comparability of ESG data makes its use difficult. For example, different methodologies behind the same indicators can create irreconcilable discrepancies between the reporting entities.

2 The scope of ESAP

7. Should ESAP include information from the hereunder provided list of EU legislations in the financial area? And if so, please specify whether the ESAP should embed this information immediately (as soon as the ESAP starts) or at a later stage (phasing in) (please choose one of the two options for each EU legislation that you agree to include in ESAP).

	Fully disagree	Somewhat disagree	Neutral	Somewhat agree	Fully agree	Immediately	At a later stage
The Transparency Directive (2004/109/EC) (e.g. annual/half yearly financial reports, acquisition or disposal of major holdings)					X	X	
The Accounting Directive (2013/34/EU) (e.g. financial statements, management report, audit report)					X	X	
The Audit Directive (2014/56/EU) and Audit Regulation (537/2014/EU) (e.g. auditor transparency reports)					X	X	
The Non-Financial Reporting Directive (NFRD) (2014/95/EU) (e.g. non-financial statement)					X	X	
The Prospectus Regulation (2017/1129/EU) (e.g. Prospectus, Universal Registration Document, SME Growth Markets-information)			X				
The Shareholders Rights Directive (2007/36/EC) and (2017/828/EU) (e.g. Remuneration Report)		X					
The Market Abuse Regulation (596/2014/EU) and Market Abuse Directive (2014/57/EU) (e.g. inside information)			X				

The Resolution and Recovery of Credit institutions and Investment firms Directive (BRRD) (2014/59/EU) (e.g. information on the group financial support agreement)			X				
The Covered Bonds Directive (2019/2162) (e.g. information on the cover pool)				X			X
The Capital Requirements Directive (CRD) (2013/36/EU) and Capital Requirements Regulation (CRR) (575/2013/EU) (e.g. prudential information, stress test results)			X				
The Credit Ratings Regulation (1060/2009/EU) (e.g. transparency report)				X			X
The Central Securities Depositories Regulation (909/2014/EU) (e.g. governance arrangements)		X					
The Key Information Documents for Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation (1286/2014/EU) (e.g. key information document)	X						
The Regulation on European Long-term Investment Funds (ELTIF) (2015/760/EU) (e.g. fund-related information)	X						
The European Market Infrastructure Regulation (EMIR) (648/2012/EU) (e.g. prices and fees of services provided, risk management model)		X					
The Financial Conglomerates Directive (FICOD) (2011/89/EU) (e.g. corporate structure of the conglomerate)		X					
The Directive of Prudential Supervision of Investment Firms (IFD) (2019/2034/EU) and the Regulation of Prudential Requirements of Investment Firms (IFR)				X			X

(2019/2033/EU) (e.g. aggregated information on high-earners, remuneration arrangements)							
The Directive on the Activities and Supervision of Institutions for Occupational Retirement Provision (IORP) (2016/2341/EU) (e.g. remuneration policy)	x						
The Pan-European Personal Pension Products Regulation (PEPP) (2019/1238/EU) (e.g. key information document)	x						
The Regulation on Wholesale Energy Market Integrity and Transparency (REMIT) (1348/2014/EU) (e.g. inside information)	x						
The Securities Financing Transactions Regulation (SFTR) (2015/2365/EU) (e.g. aggregate positions)	x						
The Solvency II Directive (2009/138/EC) (e.g. solvency and financial condition report)	x						
The Short Selling Regulation (236/2012/EU) (e.g. net short position)	x						
The Take-Over Bid Directive (2004/25/EC) (e.g. Information in the management report on companies' capital and shareholders, voting rights, governance...)	x						
The Directive of Markets in Financial Instruments (MIFID) (2014/65/EU) and Regulation of Markets in Financial Instruments (MIFIR) (600/2014/EU) (e.g. volume and price of certain transactions)	x						
The Regulation on European Venture Capital Funds (EuVECA) (345/2013/EU) (e.g. fund-related information)	x						

The Regulation on European social entrepreneurship funds (EuSEF) (346/2013/EU) (e.g. fund-related information)	X						
The Regulation on Money Market Funds (2017/1131/EU) (e.g. prospectus)	X						
The Directive on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (2009/65/EC) (e.g. key investor information)	X						
The Directive on Alternative Investment Fund Managers (AIFM) (2011/61/EU) (e.g. investment strategy and objectives of the fund)	X						
The Regulation on EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks (EU 2019/2089) (e.g. information on measurable carbon emission reduction)				X			X
Information on sustainability risks and impacts disclosed pursuant to the Regulation (EU) 2019/2088 on sustainability-related disclosure and The Taxonomy Regulation (2020/852/EU) (e.g. sustainability risks integration policies)					X		X
The EU Emissions Trading System (EU ETS)			X				
Other aspects, if so which ones:							

Please explain your position in the text box below providing your arguments, and where appropriate, concrete examples and data to support your answers: **[textbox]**

Overall, the scoping should not be set based on financial services regulation, rather general company regulation and with clear priority for what is of greatest value for issuers and investors.

A strict prioritisation is needed. The Commission suggests a very broad potential scope of data, but it would be better to focus on a narrower scope to begin with and get that right. We would suggest starting with companies' financial data and non-financial disclosures, however ESG data should be the immediate priority as this is where we see the largest gap and immediate demand, more so than is the case for financial statements from listed companies. Focus on ESG data should.

- o Primarily include NFRD, including, at a future point a revised NFRD that may extend to non-listed and smaller companies.

- o Further, disclosures under the EU taxonomy regulation should also be a priority.

- This will be especially important at sector level, for example, energy performance (certificates) in the building sector in each national market

- Access to national level data covering the application of various EU regulations that are relevant to the DNSH criteria of the taxonomy.

Regarding financial data, we would like to note that there are already existing rules and procedures for publication of the information. ESAP should technically facilitate the combination of that data without creating new obligations for firms.

On information about financial market participants, we also note that existing channels work well. There are a big number of local or national forms. The need for centralized information is limited. As for some other information on proposed scope for example MiFID market data, there is already ongoing work in the MiFID II review.

Some proposals include client information for financial products. there we see no benefit of centralized data. There are existing requirements for delivery of that information. For this information also specific regulations exist in relation to format and language of the material. Technically speaking they shall be in paper or pdf-format. In such a case it is not relevant to consider centralize database.

Finally, it should be made clear that providing information in an EU-wide register does not imply any obligations in relation to provision of services cross border.

3 The usability and accessibility

Investors and users find publicly disclosed financial and sustainability-related information difficult to compare and analyse. This is mainly due to the lack of structured data, of common frameworks and/or interoperable formats for such disclosures, the use of different identifiers for the same entity and the lack of harmonised implementation of

reporting obligations at national level. This section of the questionnaire seeks stakeholders' views on format(s) in which the information in ESAP should be made available, in order to make it more usable digitally, and how stakeholders would prefer to have access to and retrieve this information from ESAP.

8. In order to improve the digital use and searchability of the information, for which of the hereunder information would you support the use of structured data formats, such as ESEF (XHTML and iXBRL), XML, etc., allowing for machine readability? (Multiple choice allowed)

- Listed companies' half yearly financial reports
- Financial statements
- Management report
- Payments to governments
- Audit report
- Total number of voting rights and capital
- Acquisition or disposal of issuer's own shares
- Home Member State
- Acquisition or disposal of major holdings
- Inside information
- Prospectuses
- Net short position details
- Fund-related information
- Key Information Document
- Public disclosure resulting from prudential requirements
- Remuneration policies
- Corporate structure of the conglomerate
- Governance arrangements
- Covered bonds - related information
- Solvency and financial condition report
- Sustainability - related information
- Other

TCFD, SASB

9. Which of the following machine-readable formats would you find suitable? Please rate the following information based on how suitable they are according to you (please rate each item from 1 to 5: "5" being the highest rate and "1" the lowest):

	1	2	3	4	5	No opinion
ESEF (XHTML files + inline XBRL tagging requirements)				X		
XML files				X		
CSV files					X	
Excel		X				
Formats enabling natural language processing					X	
Other:						

Please explain your position in the text box below providing your arguments, and where appropriate, concrete examples and evidence to support your answers:

10. How should the information be accessible in ESAP? (Multiple choice allowed)

- Through Application Programming Interfaces (APIs)
- Bulk download
- Web portals
- Other

Broadly speaking, data should be accessible in structured data formats for automated retrieval etc. allowing user to process data more efficiently. However, user-friendly online interfaces would also be relevant to allow users to access data that are used on an ad-hoc basis or less frequently.

11. To what extent should the language barrier be tackled? For the following features of the ESAP (web portal, metadata, taxonomy/labels, and content/data), which of the following language arrangements would you favour?

Portals / search tools:

- in a language that is customary in the sphere of international finance
- in multiple or all EU languages

Metadata (where variable text):

- in original language
- in a language that is customary in the sphere of international finance
- in multiple or all EU languages

Taxonomy / labels (if any):

- in original language
- in a language that is customary in the sphere of international finance

in multiple or all EU languages

Content / data:

x in original language

x in a language that is customary in the sphere of international finance

in multiple or all EU languages

We welcome the possibility to simplify language regime. However, in order to facilitate wide use of ESAP also for non-professional investors, several (if not all) EU-languages may be needed.

To encourage cross-border investment, we would encourage the use of language that is customary in the sphere of international finance. However, that should be the discretion of the firm. Many firms may be small and/or local and the ESAP should not imply any new requirements in terms of language.

Regarding information on financial products (which as such we do not support to be included in the scope) it should be noted that prescriptive and stringent language requirements exist and it cannot be changed without changing the relevant EU-rules.

The Commission seeks stakeholders' views on the preferred technical solution(s) to establish the architecture of ESAP, and how to ensure the quality and integrity of the information within ESAP. A body in charge of ESAP, which should be non-for-profit, would be responsible for coordinating IT systems, maintenance and budgetary aspects.

12. Should specific categories of stakeholders be involved in the governance of ESAP? (Multiple choice allowed)

x EU authority (ESMA, European Commission etc.) or a consortium of EU authorities. If, so which ones

National Competent Authorities

x Investors

x Reporting companies

Other

13. Considering the point in time at which a company makes public some information that is legally required, what would be the ideal timing for the information to be available on the ESAP?

We propose that information provided to competent authorities, stock exchanges etc. would automatically and simultaneously be feed into the ESAP so there would be no notable time-gap (if this is at all possible to achieve from a technical perspective).

14. Should the integrity of the information and the credibility of the source of data used be ensured, when it is made accessible in ESAP?

- By electronic seals or electronic signatures embedded at source
- By the ESAP platform
- By other means / trust services

This depends on the source of information. If the data is collected to ESAP from competent authorities, it does not need to be verified again. If it is reported for the first time and directly to ESAP, some quality check might be needed.

15. Should the information in ESAP be subject to quality checks?

YES

NO

Other

Please see our response to Q14.

16. Should a quality check be needed, what would need to be checked? (Multiple choice allowed)

Compliance with IT formats

Certain key tests (matching figures, units, ...)

Use of a correct taxonomy

Completeness

Availability of metadata

Other

Please see our response to Q14.

4 Targeted questions regarding entities with no access to capital markets (non-listed entities), including SMEs

The lack of an integrated data management at the EU level is detrimental to entities with no access to capital markets notably to SMEs that struggle to find investors beyond national borders. Companies of all sizes – and in particular SMEs – need solid market-based funding sources. This was already the case before COVID-19, but will be even more important for the recovery if bank lending might not be sufficient. Therefore, this section of the consultation sets out questions on how ESAP specifically can help ensure that SMEs receive the funding they need.

SMEs, often do not have the technical expertise nor resources necessary to prepare reports in accordance with state-of-the-art, sophisticated standards. At the same time, many SMEs are under increasing pressure to provide financial information as well as certain sustainability related information in order to access market-based funding and for their usual conduct of business. In this respect, entities which cannot provide this information may experience a negative impact on their commercial and/or investment opportunities.

17. Should it be possible for companies other than those with securities listed on EU regulated markets to disclose information on ESAP on a voluntary basis?

YES

NO

17.1 If you replied yes to question 17, please specify, which type of entities should be allowed to disclose data on a voluntary basis in the ESAP? (Multiple choice allowed)

Companies with securities listed on a SME growth-market

Companies with securities listed on other non-regulated markets

Pre-IPO companies not yet listed on an exchange

Any unlisted companies

Other entities:

18. What type of information should be disclosed on a voluntary basis in the ESAP? (Multiple choice allowed)

A set of predefined key financial information, allowing to compare data

Any financial information that the issuer would be willing to render public via ESAP

A set of predefined key sustainable related information, allowing to compare the data

Any sustainability related information that the issuer would be willing to render public via ESAP

Other (give a few examples)

19. As regards frequency of the submission of the voluntary information to ESAP, when should it occur?

Following predefined periodic submission dates (if, so please specify frequency)

On an ongoing basis as soon as available

20. In which language should entities with no access to capital markets be able to encode the voluntary information, please choose one or more preferred language from the list below:

National language

A language that is customary in the sphere of international finance

- Any language
- Other (please explain)

Please see our response to Q11.

21. Should filings done on a voluntary basis by SMEs and non-listed companies follow all the rules of the ESAP as regards for instance identification, data structuring and formats, quality checks, etc.?

Please explain your position in the text box below: **[textbox]**

Identification of the information source is always important. However, when reporting is made on voluntary basis, its content cannot be harmonized. If reporting company is using any local or international standards as basis of its reporting, those standards should be referred to in ESAP.

Costs and benefits

The Commission anticipates that ESAP will lead to multiple benefits. It can, however, also imply additional costs for i) preparers, in terms of compliance requirements on machine-readability, standards, as well as training of staff, etc., ii) users, in terms of search, collection and processing of the information they need, iii) the development of the ESAP architecture. In some areas ESAP should also lead to cost savings, notably related to fil.

22. Do you expect that costs of introducing ESAP be proportionate to its overall benefits?

- Not at all
- To some extent
- To a reasonable extent
- To a very great extent
- No opinion

Governance and who would incur the costs needs to be clarified before further steps are taken. As this is seen as a public good then it could be funded out of central EU or national budgets.

23. As a user, can you give an estimation of your yearly cost for retrieving and using companies' public information?

24. As a user, how large share of these costs do you expect to save through the use of ESAP?

- 10%
- 20%
- 30%
- 40%
- More than 50%
- Other (please explain)

25. Should the user have access for free to all data in the ESAP (based e.g. on an open data policy approach)?

Yes

No

26. Assuming that development and maintenance costs will arise, how do you think the ESAP should be funded? (Multiple choice allowed)

By EU funds

By national funds

By users (i.e. usage fees)

By preparers (i.e. uploading fee)

Other (please explain)

27. What would be the main benefits for entities with no access to capital markets to disclose this information publicly in ESAP? (Multiple choice allowed)

Get more visibility and attract a broader range of investors

Get more transparency on ESG data (easily retrievable)

Other