



# Assurance over ESEF filings

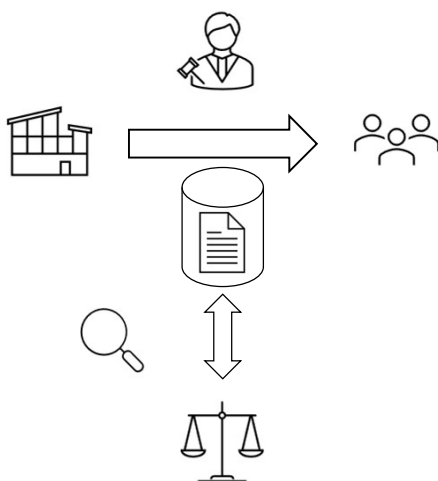
An overview and insights for IFRS Taxonomy Consultative Group

—  
30 September 2024

Ronald van Langen, Senior Manager KPMG

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## What is Assurance



Assurance is an independent professional service to enhance the degree of confidence of the intended users about the subject matter information.

The subject matter information is the outcome of the measurement or evaluation of an underlying subject matter against criteria



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## Reasonable versus Limited Assurance

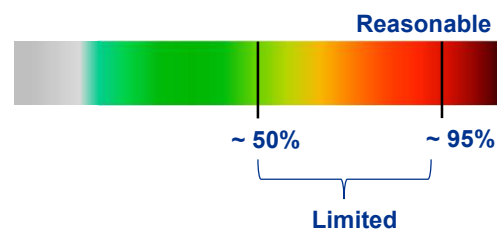
Financial Statements: Reasonable Assurance (Audit)

CSR reporting: Limited Assurance (Review)

**ISAE 3000 defines two levels of assurance: reasonable and limited**

- Reasonable assurance provides a high, but not absolute, level of assurance
- Limited assurance provides less assurance than reasonable assurance, but is still intended to provide a meaningful level of assurance

IAASB nor practitioners are able to articulate precise levels of assurance



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# Regulations and standards

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## The Subject Matter (Information) for ESEF – a puzzle

### Transparency Directive:

- all annual financial reports shall be prepared in a single electronic reporting format

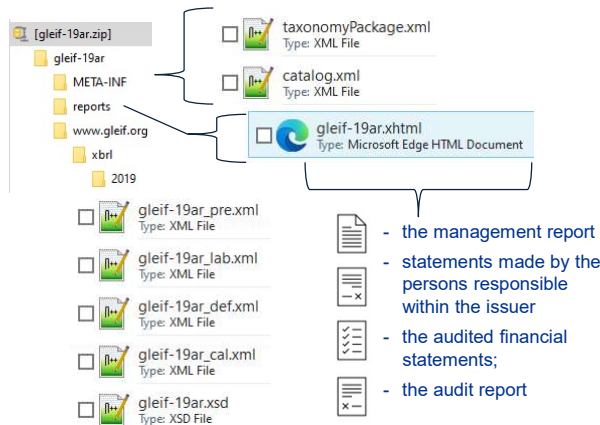
### Accounting Directive

- The annual financial report shall comprise:
  - the audited financial statements;
  - the management report; and
  - statements made by the persons responsible within the issuer
- The audit report shall be disclosed in full to the public together with the annual financial report

### Audit Directive

- The audit report shall include an audit opinion of the statutory auditor as to:
  - whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework; and
  - 'where appropriate', whether the financial statements comply with 'statutory requirements'

Auditors need to provide an audit opinion on whether the financial statements comply with the ESEF requirements



Auditors need to express an opinion based on a limited assurance engagement as regards to the compliance with the requirement to mark up sustainability reporting



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## Use of a Professional Standard

**Without the application of a professional standard**  
ESEF requirements relating to the tagging of consolidated financial statements are relatively complex

**As part of an audit conducted in accordance with the ISAs**

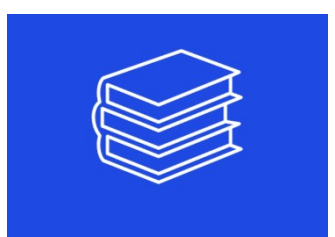
- tags are not providing or contributing to a true and fair view
- ESEF is a statutory requirement

**As an ISAE 3000 engagement**

- the underlying subject matter is the electronic tagging of consolidated financial statements
- The criteria are the ESEF rules

**By applying a national standard or national guidance**

- could be developed to fit with national legal and regulatory approaches to the issuer's ESEF implementation



Source: Briefing paper ECG and ACE Independent assurance on the European Single Electronic Format 191217-ESEF-assurance-paper-FINAL\_update\_2.pdf (accountancyeurope.eu)



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## The Auditor's opinion on ESEF (in the Netherlands)

### Report on other legal and regulatory requirements [indien van toepassing: and ESEF]

#### European Single Electronic Format (ESEF)

... (naam entiteit) has prepared its annual report in ESEF. The requirements for this are set out in the Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (hereinafter: the RTS on ESEF).

In our opinion the annual report prepared in XHTML format, including the (partly) marked-up consolidated financial statements as included in the reporting package by ... (naam entiteit), complies in all material respects with the RTS on ESEF.

Management is responsible for preparing the annual report including the financial statements in accordance with the RTS on ESEF, whereby management combines the various components into one single reporting package.

Our responsibility is to obtain reasonable assurance for our opinion whether the annual report in this reporting package complies with the RTS on ESEF.

We performed our examination in accordance with Dutch law, including Dutch Standard 3950N 'Assurance-opdrachten inzake het voldoen aan de criteria voor het opstellen van een digitaal verantwoordingsdocument' (assurance engagements relating to compliance with criteria for digital reporting).



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## The Auditor's opinion on ESEF (in Germany)

### Other legal and regulatory requirements

#### Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file adidasag-2023-12-31-de.zip (SHA256 hash value: f7cfad6e3dd2bf8e66077ce9a17bddfa0b222f09b8b59748606b8c82dc7777da) and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format").



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## The Auditor's opinion on ESEF (in France)

### Report on Other Legal and Regulatory Requirements

#### Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the **professional standard applicable in France** relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the **presentation of the English translation, examined by the Board of Directors**, of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 45112, I of the French Monetary and Financial Code (*Code monétaire et financier*), **prepared under the Chief Executive Officers** responsibility, complies with the single electronic format defined in European Delegated Regulation (EU) No. 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of the English translation of the consolidated financial statements complies with the format defined in the above-mentioned delegated regulation.

On the basis of our work, we conclude that the presentation of the English translation of the consolidated financial statements **intended to be included in the annual financial report complies**, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the English translation of the accompanying consolidated financial statements.

Furthermore, we have no responsibility to verify that the English translation to the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers*) agree with that on which we have performed our work.



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## The Auditor's opinion on ESEF (in Italy)

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

We have carried out the procedures set forth in the **Auditing Standard (SA Italia) n. 700B** in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, **the consolidated financial statements**, as at December 31, 2023 have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information contained in the notes to the consolidated financial statements, when extracted from XHTML format in an XBRL instance, may not be reproduced in the same way as the corresponding information displayed in the consolidated financial statements in XHTML format.



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# Audit of ESEF

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## XHTML and tagging of data

### XHTML - Human Readable

#### Statement of Comprehensive Income

for the Period from January 1 to December 31, 2019

	Notes	Jan. to Dec. 2019	Jan. to Dec. 2018
		US\$	US\$
Fee revenue	3.1	14,516,715	17,555,899
Wages and salaries		-4,616,880	-4,288,584

### XBRL-tagging – Machine Readable

```
<tr style="height:22.67716535433071pt;">
  <td class="ThinLineTop">
    <p class="T09Rleft">
      <span id="IDTOLPIC">Fee revenue</span>
    </p>
  </td>
  <td class="ThinLineTop">
    <p class="T09Rright">
      <span id="IDOGP20E">3.1</span>
    </p>
  </td>
  <td class="ThinLineTopGREY">
    <p class="T09Rright">
      <ix:nonFraction unitRef="USD" contextRef="GLEIF-20190101-2019231"
        decimals="0" format="ix:num-dot-decimal"
        name="ifrs-full:LicenceFeeIncome"
        scale="0" id="111">14,516,715</ix:nonFraction>
    </p>
  </td>
  <td class="ThinLineTop">
    <p class="T09Rright">
      <ix:nonFraction unitRef="USD" contextRef="GLEIF-20180101-20181231"
        decimals="0" format="ix:num-dot-decimal"
        name="ifrs-full:LicenceFeeIncome"
        scale="0" id="112">17,555,899</ix:nonFraction>
    </p>
  </td>
</tr>
```

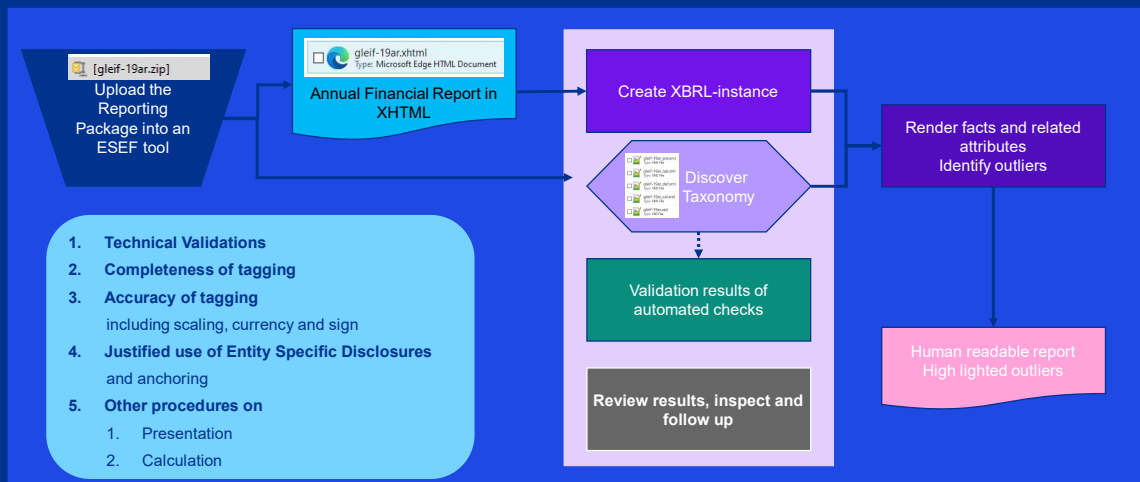


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## Simplified assurance approach



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## Taxonomy and tagging rules

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## Readability of the information extracted from a block tag

Due to mechanics of producing XHTML documents, some narrative blocks extracted from such documents to an XBRL instance may not be formatted in a manner that is exactly the same as the full document when looked at in isolation (such as, but not limited to, **lost table structures**, applied styles, different line breaks).

ESMA is of the opinion that block tagging in ESEF should be able to designate meaningful fragments of a well-formed XHTML document that are extracted into XBRL for processing, notably that the underlying XHTML code contains the appropriate style attributes that allows for a proper display of tagged data

- For example, in the case of information presented in a tabular format in the full document, the code underlying the XHTML document **could contain** relevant HTML table tags such as <table>, <th>, <tr>, etc which would ensure that the extracted tagged data includes a presentation of the fact value in a tabular format.

The limitations in these transformation mechanics are known and understood by the XBRL community who are monitoring the evolution and possible improvements in these mechanics.

Tagging requirement or recommendation?

7. Financial income and expenses

FINANCIAL INCOME		
IN '000 €	2020	2021
Interest income	-	-
Foreign exchange gains	761	347
Unwinding of non-current government grants receivable	207	209
Others	469	295
<b>TOTAL</b>	<b>1 552</b>	<b>851</b>

(The foreign exchange gains mainly relate to the fluctuations of the American Dollar against the Euro in 2021, 2020: fluctuations of the Canadian Dollar and the Polish Zloty against the Euro)

FINANCIAL INCOME IN '000  
 €20202021Interest income5Foreign  
 exchange gains 781347Unwinding of  
 non-current government grants  
 receivable 297209Others  
 469295TOTAL 1 552851The foreign  
 exchange gains mainly relate to the  
 fluctuations of the American Dollar  
 against the Euro in 2021 (2020:  
 fluctuations of the Canadian Dollar and  
 the Polish Zloty against the Euro).  
 FINANCIAL EXPENSES IN '000



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## Multi tagging

In case of a disclosure corresponding to more than one element of different granularity (with narrower and wider elements), preparers should use each of them and multi tag the information to the extent that corresponds with the underlying accounting meaning of the information



What does this mean?



Issuers should multi tag their disclosures to the extent to which it represents the underlying accounting meaning of each of the ~150 elements in Annex II of the RTS



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## Multi-tagging example

### 19. Intangible assets and goodwill

	Development costs	Patents and licences with definite useful life	Licences with indefinite useful life	Goodwill	Total
	€000	€000	€000	€000	€000
<b>Cost</b>					
At 1 January 2020	1,585	395	240	119	2,339
Additions - internally developed	390	-	-	-	390
Acquisition of a subsidiary (restated*)	-	-	-	131	131
<b>At 31 December 2020</b>	<b>1,975</b>	<b>395</b>	<b>240</b>	<b>250</b>	<b>2,860</b>
Additions - internally developed	587	-	-	-	587
Acquisition of a subsidiary	-	30	1,170	2,231	3,431
Assets held for sale	-	(130)	-	-	(130)
<b>At 31 December 2021</b>	<b>2,562</b>	<b>287</b>	<b>1,410</b>	<b>2,481</b>	<b>6,740</b>
<b>Amortisation and impairment</b>					
At 1 January 2020	165	60	-	-	225
Amortisation	124	50	-	-	174
<b>At 31 December 2020</b>	<b>289</b>	<b>110</b>	<b>-</b>	<b>-</b>	<b>399</b>
Amortisation	95	30	-	-	125
Impairment (note 20)	-	-	-	200	200
Assets held for sale	-	(3)	-	-	(3)
<b>At 31 December 2021</b>	<b>384</b>	<b>137</b>	<b>-</b>	<b>200</b>	<b>721</b>
<b>Net book value</b>					
At 31 December 2021	2,178	150	1,410	2,281	6,019
At 31 December 2020 (restated*)	1,686	285	240	250	2,461

\* The amount of goodwill is restated and does not correspond to the figures in 2020 financial statements since adjustments to the final valuation of acquisition of Lightbulbs Limited were made, as detailed in [Note 8](#).

### Which elements to use to mark-up this table?

- Disclosure of intangible assets and goodwill [text block]
- Disclosure of goodwill [text block]
- Disclosure of intangible assets [text block]
- Disclosure of impairment of assets [text block]
- Disclosure of business combinations [text block]
- Disclosure of noncurrent assets held for sale and discontinued operations [text block]
- Disclosure of depreciation and amortization expense [text block]
- Disclosure of expenses [text block]
- Disclosure of expenses by nature [text block]



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## Multi-tagging guidance

The IFRS taxonomy does not have a hierarchy to clearly demonstrate what is being considered as a narrower or wider element.

- XBRL Europe proposes a [hierarchical presentation](#) of the Notes, Accounting policies and Mandatory core taxonomy elements to facilitate issuers' tagging of their ESEF report
  - cannot be considered as an "official" or "regulatory" or "authoritative" document

58	DisclosureOfIntangibleAssetsAndGoodwillExplanatory	IAS 1.10 e
59	DescriptionOfAccountingPolicyForIntangibleAssetsAndGoodwillExplanatory	IAS 1.117
60	DisclosureOfIntangibleAssetsExplanatory	IAS 38 - Disclosure Disclosure
61	DescriptionOfAccountingPolicyForIntangibleAssetsOtherThanGoodwillExplanatory	IAS 1.117
62	DisclosureOfGoodwillExplanatory	IAS 1.10 e
63	DescriptionOfAccountingPolicyForGoodwillExplanatory	IAS 1.117

### Key questions

1. Are those elements of a of different granularity (and can we consider those as narrower and wider elements)
2. How to determine the accounting meaning if the reference is a generic reference like IAS 1.10.e or IAS 1.117 (most often used for common practice elements)



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**Any questions?**

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**Appendix**

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# Substantive procedures

## 1 Technical Validations

An error occurred during the import of the reporting package. Please contact ParsePort for support.

<tp:publicationDate>2020-25-05</tp:publicationDate>

[ESEF.3.1.5.extensionTaxonomyDocumentNameDoesNotFollowNamingConvention] Extension taxonomy document file name SHOULD match the (base)-(date)\_(suffix).(extension) pattern: gleif-19ar.xsd.

[ESEF.2.5.1.incorrectMMETypeSpecified] Image type data:image/png has wrong header type: jpg



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# Substantive procedures

## 2 Completeness of tagging

### Statement of Comprehensive Income

for the Period from January 1 to December 31, 2019

	Notes	Jan. to Dec. 2019	Jan. to Dec. 2018
		US\$	US\$
Fee revenue	3.1	14,516,715	17,555,669
Wages and salaries		-4,616,660	-4,288,884
Social contributions and expenses for pensions and care		-543,684	-618,241
Personnel expenses	3.2	-5,160,364	-4,907,229
Other operating expenses	3.3	-5,561,990	-4,054,185
Other operating income	3.4	181,344	384,703
Amortization and depreciation expense	4.5/4.6/4.7	-873,646	-344,735
Operating surplus		3,101,659	8,634,457
Subsidies and donations	3.5	25,368	40,482
Financial income / expense	3.6	-294,637	-329,544
Net surplus		2,892,190	8,345,295
Changes of components of net equity from actuarial gains and losses in pension and similar obligations	3.2	-11,410	3,312
Items that will not be reclassified to net surplus		-11,410	3,312
Other comprehensive income		-11,410	3,312
Total comprehensive income		2,880,780	8,352,707



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# Substantive procedures

## 3 Accuracy of tagging

including scaling, currency and sign

### Statement of Comprehensive Income

for the Period from January 1 to December 31, 2019

The accompanying financial statements present the operations of Global Legal Entity Identifier Foundation with its registered office in Basel, Switzerland (hereinafter: "GLEIF" or "the Foundation").

GLEIF is a foundation according to Swiss civil law and registered under no. CHE-200.595.865 in the commercial register of Basel-Stadt, Switzerland. The address of the Foundation is St. Alban-Vorstadt 5, 4002 Basel, Switzerland. In February 2015, GLEIF began operating a permanent establishment in Frankfurt am Main, Germany, where the main operating activities of the Foundation are located.

GLEIF was founded on June 28, 2014, by the Financial Stability Board, an association under Swiss law. The purpose of GLEIF is to establish, maintain, and monitor the Global Legal Entity Identifier System (GLEIF System), which enables worldwide entity identification.

Principal place of business	
Concept	<ul style="list-style-type: none"> <li>(Its fully) Principal place of business</li> <li>The place where an entity principally conducts operations.</li> </ul>
Dimensions	
Date	1 Jan 2019 to 31 Dec 2019
Fact Value	Switzerland

	Notes	Jan. to Dec. 2019	Jan. to Dec. 2018		1-1-2019 / 31-12-2019	1-1-2018 / 31-12-2018
		US\$	US\$			
Fee revenue	3.1	14,516,715	17,555,899	<b>Statement of comprehensive income [abstract]</b>		
Wages and salaries		-4,616,880	-4,288,884	<b>Profit (loss) [abstract]</b>		
Social contributions and expenses for pensions and care		-543,684	-618,341	Licence fee income	14,516,715	17,555,899
Personnel expenses	3.2	-5,160,564	-4,907,225	Wages and salaries	4,616,880	4,288,884
Other operating expenses	3.3	-5,561,990	-4,054,185	Social contributions and expenses for pensions and care	543,684	618,341
Other operating income	3.4	181,344	384,703	Total employee benefits expense	5,160,564	4,907,225
Amortization and depreciation expense	4.5/4.6/4.7	-873,846	-344,735	Other expenses, by nature	5,561,990	4,054,185
Operating surplus		3,101,659	8,634,457	Other income	181,344	384,703
				Depreciation and amortisation expense	873,846	344,735
				Profit (loss) from operating activities	3,101,659	8,634,457



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# Substantive procedures

## 4 Justified use of Entity Specific Disclosures and anchoring

XHTML – audited financial statements

**Statement of Comprehensive Income**  
for the Period from January 1 to December 31, 2019

	Notes	Jan. to Dec. 2019	Jan. to Dec. 2018
		US\$	US\$
Fee revenue	3.1	14,516,715	17,555,899
Wages and salaries		-4,616,880	-4,288,884
Social contributions and expenses for pensions and care		-543,684	-618,341
Personnel expenses	3.2	-5,160,564	-4,907,225
Other operating expenses	3.3	-5,561,990	-4,054,185
Other operating income	3.4	181,344	384,703
Amortization and depreciation expense	4.5/4.6/4.7	-873,846	-344,735
Operating surplus		3,101,659	8,634,457

Social contributions and expenses for pensions and care is an extension element.

- The wider anchor used is **'Employee benefits expense'**. The expense of all forms of consideration given by an entity in exchange for a service rendered by employees or for the termination of employment.
- The Social contributions and expenses for pensions and care are indeed part of the employee benefit expenses.

Based on the disclosure notes the item relates to:

- Social contributions
  - IFRS tag: *Social security contributions*
- Pension expenses
  - IFRS tag: *Post-employment benefit expense, defined benefit plans*
- Care expenses
  - IFRS tag: *Other employee expense*

Do narrower anchors of Social security contributions, Post-employment benefit expense, defined benefit plans, and Other employee expense also have to be used?



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# Substantive procedures

## 5 Other activities

1. Presentation linkbase
2. Calculation linkbase



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