




ESAP – Open Hearing

16 February 2024

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Please note that these slides have not been approved by ESMA's Board of Supervisors and should not be considered as official ESMA guidance.

These slides are only intended to provide support to interested stakeholders in responding to the Joint Committee Consultation on the ITSs on ESAP.

A decorative graphic consisting of a large, curved arrow shape pointing downwards and to the right. The arrow is filled with a gradient of colors, transitioning from a light blue at the top to a darker blue at the bottom, with a greenish-yellow highlight on the right side.

Agenda

1. Update on the ESAP Legislative package

- Why do we need a European Single Access Point?
- Key features of ESAP
- Scope of information
- ESAP timeline
- L2 legislative mandates

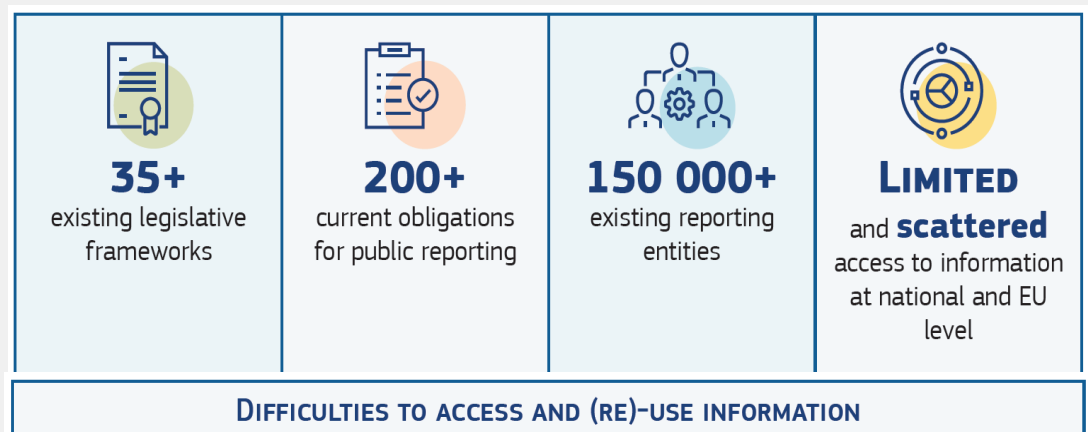
2. Joint Committee ITS on Article 7 of the ESAP Regulation

3. Joint Committee ITS on Article 5 of the ESAP Regulation

4. Next steps

5. Q&As

Why do we need a European Single Access point?



Extract from Commission's material

- No central search system with access to relevant information disclosed to the public by companies in EU Capital Markets
- Furthermore:
 - Most formats are only human readable (95%)
 - The use and re-use of information hampered by language barriers, restrictive terms of use, inability to bulk download, need to pay for access, questionable quality and integrity of data

Scope of information (1/2)

List of acronyms available in Annex!

	EC proposal	Final L1 text
Phase 1	<ul style="list-style-type: none"> • <u>4 Regulations</u>: PR, SFTR, SSR, TR* • <u>1 Directive</u>: TD 	<ul style="list-style-type: none"> • <u>2 Regulations</u>: PR, SSR • <u>1 Directive</u>: TD
Phase 2	<ul style="list-style-type: none"> • <u>2 Regulations</u>: MAR, SFDR • <u>3 Directives</u>: AD, SHRD, TOBD 	<ul style="list-style-type: none"> • <u>8 Regulations</u>: BMR, CRAR, EuSEF, EuVECA, MAR, PEPP, PRIIPs, SFDR • <u>2 Directives</u>: AD*, UCITS
Phase 3	<ul style="list-style-type: none"> • <u>15 Regulations</u>: AR, BMR, CCPR&R, CRAR, CRR, CSDR, ELTIF, EMIR, EuSEF, EuVECA, IFR, MiFIR, MMFR, PEPP, PRIIPS • <u>12 Directives</u>: AIFMD, AuD, BRRD, CBD, CRD, FICOD, IDD, IFD, IORP II, MiFID, SII, UCITS 	<ul style="list-style-type: none"> • <u>9 Regulations</u>: AR, CRR, ELTIF, EUGBR, IFR, MiCA, MiFIR, SFTR, MMFR • <u>12 Directives</u>: AIFMD, AuD, BRRD, CBD, CRD, FICOD, IDD, IFD, IORP II, MiFID, SII, SHRD, TOBD

*TR/CSRD are dealt through the AD in the political agreement

- Compared to the EC proposal:
 - ❑ **CCPR&R, CSDR, and EMIR** have been **removed**
 - ❑ **MiCA** and **EUGBR** have been **added**

Scope of information (2/2)

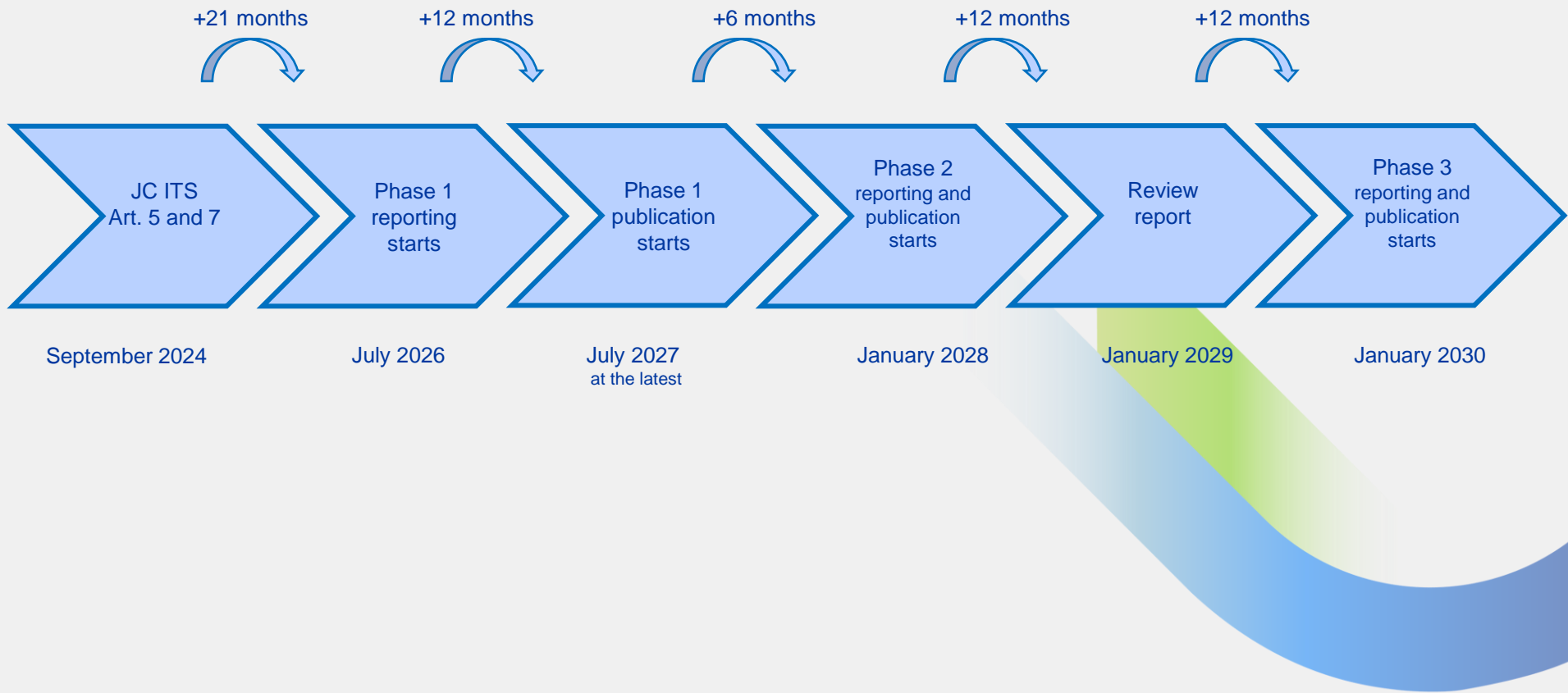
- Detailed list of information which will be accessible on ESAP is set by L1 (Omnibus Directive / Regulation) and can be found in the ESAP Consultation Paper*

114. The proposed types of information are listed in the table below.

Legislative framework	Type of information	Article	Comments
Directive 2004/109/EC (Transparency Directive)	Annual financial report	Article 4 of the TD	
Directive 2004/109/EC (Transparency Directive)	Annual financial statements	Article 4(2)a of the TD	
Directive 2004/109/EC (Transparency Directive)	Management report	Article 4(2)b	
Directive 2004/109/EC (Transparency Directive)	Statements made by the persons responsible within the issuer	Article 4(2)c	
Directive 2004/109/EC (Transparency Directive)	Half year financial report	Article 5	

*Pages 29 to 46, accessible at this link: [JC_2023_78_CP_on_ITS_on_ESAP_tasks_of_collection_bodies_and_ESAP_functionalities.pdf \(europa.eu\)](https://ec.europa.eu/finance/consultations/2018/consultation-esap-consultation-paper-2018-10-10_en.pdf)

ESAP timeline



Key features of ESAP

User experience

- User-friendly web portal interface hosted by ESMA
- Search tool based on pre-defined metadata fields
- API enabling easy access to information by users
- Automated translation and notification service

Data

- Available for free, including for downloads
- Metadata accompanying the information submitted by reporting entities (Omnibus)
- Machine-readable or machine extractable data
- Open standard licences to ensure free use and reuse

Collection

- Submission of information from reporting entities to a designated collection body
- Submission of information from collection bodies to ESAP via an API
- Collection body depends on the specific data flow (established in Omnibus or by each MS)

Voluntary information

- Information can be voluntarily submitted on the ESAP from phase 3

Level 2 legislative mandates

- ESAP Regulation: 3 mandates for JC ITS, of which 2 with a 9-month deadline (already under development, cf. Consultation launched in January 2024) and 1 mandate (on fees) without L1 deadline (timeline TBC)
- ESAP Omnibus Directive: 6 mandates to develop ITS for ESMA, 3 for EBA, 2 for EIOPA (metadata, structuring and machine-readability of disclosures) → no L1 deadline, timeline TBC
- ESAP Omnibus Regulation: 8 mandates to develop ESMA ITSs, 2 mandates to develop JC ITSs, 2 EBA, 1 EIOPA (metadata, structuring and machine-readability of disclosures) → no L1 deadline, timeline TBC

Agenda

- 1. Update on the ESAP Legislative package**
- 2. Joint Committee ITS on Article 5 of the ESAP Regulation**
 - Metadata
 - Automated validations
 - Characteristics of the QES
 - Open standard licenses
 - Data collection API
 - Time limits
 - Indicative list and characteristics of acceptable formats
- 3. Joint Committee ITS on Article 7 of the ESAP Regulation**
- 4. Next steps**
- 5. Q&As**

Metadata

Mandate: specify the characteristics of the metadata necessary for the ESAP search function, of the personal data flag and of any other metadata necessary for the functioning of ESAP

NB. L1 text foresees several types of metadata:

- Metadata which accompanies the information submitted by entities (already specified by L1 Omnibus Directive / Regulation)
- Metadata which accompanies the information submitted by entities (which may be mandated in the future by the ESAs individually or jointly depending on the legislative area) → responsibility of the reporting entity
- Metadata which is necessary for the ESAP search function (defined by Article 7(3) of the ESAP Regulation)*
- The personal data flag metadata *
- Any other metadata necessary for the functioning of ESAP (which may be mandated by the ESAs JC)*

Only the metadata marked with * are the object of the Consultation Paper

Metadata

Proposed approach:

- NB. this ITS deals with the characteristics of metadata sent from CBs to ESAP
- Metadata in a common format in accordance with ISO 20022 methodology or in the same format in which the information has been submitted, whenever information is submitted in a machine-readable format (incl. when metadata can be embedded in the information)
- Additional 11 metadata proposed by the JC because deemed necessary for the functioning of ESAP:
 - 4 business metadata
 - 7 technical metadata
- Characteristics of the metadata (both those mandated by Article 7(3) of ESAP Regulation and the 11 metadata proposed by the JC) defined in the Annex of the ITSs
- Responsibility for the quality of the metadata accompanying the information submitted by entities lies with the reporting entities
- Responsibility for the quality of the metadata generated by CB (for ex. the technical metadata) lies with the collection body

Automated validations

Mandate: specify how the Collection Bodies (CBs) shall perform technical automated validations for information submitted by entities

Proposed approach:

- Since validations do not concern the content of the information, not necessary to specify how the validations shall be performed for each type of information separately
- CBs shall therefore validate:
 - if the information has been submitted in a data extractable format or (where required under sectoral legislation) in the required machine-readable format
 - that the metadata for the information submitted by the entities is available, complete, consistent
 - CBs shall validate that the Qualified Electronic Seal (QES), where required, is present, compliant with the expected characteristics, valid at the time of submission and not modified since
- Standardised format for feedback messages from CBs, e.g. ISO 20022 XML

Characteristics of the QES

Mandate: specify the characteristics of the QES

NB. in the final L1 text, the QES is mandatory only if allowed by the Member State and if mandated by the CB

Proposed approach:

- The qualified electronic seal shall comply with the specifications set out in the Annex to the Commission Implementing Decision (EU) 2015/1506 for XAdES Baseline Profile, CAdES Baseline Profile or PAdES Baseline Profile (three baseline profiles that shall be recognised under eIDAS in all Member States)
- Furthermore, the QES shall be at a conformance level LT ('Long-Term Validation Material') or higher to ensure that the certificates can be validated during an extended period of time
- To further strengthen the authentication of the information, the QES shall also include the LEI identifying the organisation using the seal (LEI is one of optional attributes specified under eIDAS).

Open Standard Licences

Mandate: specify the open standard licences to be applied by CBs

Proposed approach:

- The main objective of ESAP is to make information publicly accessible
- The role of CBs is to collect such information from entities that are under an obligation to make such information public or that disclose it on a voluntary basis → therefore information should be as usable and re-usable as possible
- CBs shall make information available for use and re-use under the conditions of the Creative Commons Public Domain Dedication (CC0) or any equivalent open licence.
- CC0 allows data users to copy, modify, distribute and perform the work, even for commercial purposes without asking permission to the collection body (does not apply to IP rights and certain uses may be limited by the rights of the preparers of the information).

Data collection API (between CB and ESAP)

Mandate: specify the characteristics of the API to be implemented by CBs and through which CBs shall provide ESMA with the information, the metadata for that information and, where relevant, the QES

Proposed approach: the ITS to describe the following characteristics of the API:

- CBs shall send the new or updated data to ESAP via file transfer and receive feedback on their submission
- Support at least the formats of information specified in the ITSs
- Support at least the formats of metadata specified in the ITSs
- API shall rely on widely adopted and secure internet protocols (such as SFTP or HTTPS) to exchange data via the transfer of files
- API shall enable ESMA to implement access control procedures for the purpose of collecting data from the relevant entities (NCAs, OAMs, ...)
- Updates or modification of the API should be governed by ESMA's governance

Time limits

Mandate: specify by when the collection body shall provide ESMA with the information, the metadata for that information and, when relevant, the qualified electronic seal.

Proposed approach:

- Ambition: limit delay between when information is made public by CB and when that same information is available on ESAP (max 1h)
- If no manual validations, CB should send information to ESAP without undue delay - as soon as possible after receiving it and no more than 1h later
- If need for manual validations (including approvals, for ex. Prospectuses), information should be sent to ESAP as soon as possible after it is made public at national level and no more than 1 hour later

Indicative list and characteristics of acceptable formats

Mandate: specify the indicative list and characteristics of formats that are acceptable as data extractable formats and as machine readable formats

Proposed approach:

- Accept all formats which are currently used for reporting information under the scope of ESAP and which may be mandated in the future in legislation under the scope of ESAP
- Indicative list of formats falling under the definition of “machine readable”: XML, JSON, XBRL, XBRL-csv, iXBRL
- Indicative list of formats falling under the definition of “data extractable”: PDF and XHTML

Agenda

- 1. Update on the ESAP Legislative package**
- 2. Joint Committee ITS on Article 5 of the ESAP Regulation**
- 3. Joint Committee ITS on Article 7 of the ESAP Regulation:**
 - **Data publication API**
 - **The specific legal entity identifier**
 - **Types of information**
 - **Size of the entities**
 - **Industry sectors**
- 4. Next steps**
- 5. Q&As**

Data publication API (between ESAP and end-users)

Mandate: specify the characteristics of the API which shall enable easy access to information in ESAP

Proposed approach: the ITS to describe the following characteristics of the API:

- API available to the public to ensure transparency and to enable the broadest possible level of data accessibility
- search and a download function
- data distributed in the same format as that in which the information is received
- updates or modification of the API governed by ESMA's governance

The specific legal entity identifier

Mandate: specify the legal entity identifier of entities that submit the information and of the legal person to which the information relates

Proposed approach:

- ISO 17442 LEI code
- The only case in which the LEI may not be “available” is for natural persons
- For every other entity in scope:
 - Obligation to obtain an LEI stemming in the ESAP Omnibus or other provisions included in sectoral legislations;
 - Can be obtained at limited costs in order to be “findable” on ESAP

Classification of the types of information

Mandate: specify the types of information to classify the information contained in ESAP and allow users to search for it

Proposed approach:

- List each disclosure obligation as a different “type of information”
- Reporting entities, when submitting a document, shall indicate all the “types of information” that a document contains (therefore annual financial reports prepared pursuant to the Transparency Directive fall under several “types of information”, i.e. “annual financial report”, “financial statement”, “audit report” etc)
- Full list of possible types of information to be listed in Annex in the ITS

Size of entities

Mandate: specify the size by category of the entities that submitted the information and to which the information relates

Proposed approach:

- The future user will first need to select the specific legislation and only after will be able to search by size within a specific category.
- ESAP should not attempt to create a harmonised approach across all entities in scope as that would not be in line with the mandate and not practicable.
- ESAP to leverage on size categories or on thresholds already existing under L1 sectorial legislation
- Some existing categories by size in L1 are not usable because classification as e.g. “small” means that the disclosure obligation is not applicable to such entities
- If no category by size in L1, metadata to indicate “all sizes”

Industry sectors

Mandate: specify the characterization of industry sectors to allow for search on the basis of a corresponding metadata

Proposed approach:

- For financial entities: list of industry sectors relevant for ESAP (similar to the classification used in EMIR / DORA)
- For non-financials: NACE code

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Next steps

- Public Consultation closes on 8 March
- The Joint Committee aims to finalise the draft ITS on tasks of collection bodies and ESAP functionalities by Q3 2024 and submit them to the European Commission
- The European Commission will have 3 months for adoption
- In parallel, ESMA is launching its procurement process and the implementation of ESAP initial capabilities

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Annex - Relevant links

- The ESAP package :
 - Regulation (EU) 2023/2859 of the European Parliament and of the Council of 13 December 2023 establishing a European single access point providing centralised access to publicly available information of relevance to financial services, capital markets and sustainability (available [here](#))
 - Directive (EU) 2023/2864 of the European Parliament and of the Council of 13 December 2023 amending certain Directives as regards the establishment and functioning of the European single access point (available [here](#))
 - Regulation (EU) 2023/2869 of the European Parliament and of the Council of 13 December 2023 amending certain Regulations as regards the establishment and functioning of the European single access point (available [here](#))

List of Acronyms

- AD: Accounting Directive
- AIFMD: Alternative Investment Fund Managers Directive
- AR: Audit Regulation
- AuD: Audit Directive
- BMR: Benchmark Regulation
- BRRD: Bank Recovery and Resolution Directive
- CB : collection body
- CBD: Covered Bond Directive
- CCPRR: Central counterparties Recovery and Resolution Regulation
- CRAR: Credit Rating Agencies Regulation
- CRD: Capital Requirements Directive
- CRR: Capital Requirements Regulation
- CSDR: Central Securities Depositories Regulation
- ELTIF: European Long-Term Investment Fund
- EMIR: European Market Infrastructure Regulation
- EUGBR : European Green Bonds Regulation
- EuSEF: European Social Entrepreneurship Fund
- EuVECA: European Venture Capital funds
- FICOD: Financial Conglomerates Directive
- IDD: Insurance Distribution Directive
- IFR/D: Investment Firm Regulation/Directive
- IORP II: Institutions for Occupational Retirement Provision Directive
- ITS : implementing technical standards
- MAR: Market Abuse Regulation
- MiCA: Markets in Crypto Assets Regulation
- MiFID: Markets in financial instruments Directive
- MiFIR: Markets in financial instruments Regulation
- MMFR: Money Market Funds Regulation
- PEPP: European Personal Pension Product
- PR: Prospectus Regulation
- PRIIPs: packaged retail investment products
- SFDR: sustainability-related disclosures
- SFTR: Securities Financing Transactions Regulation
- SHRD: Shareholders rights Directive
- SII: Solvency II (Directive)
- SSR: Short selling Regulation
- TD: Transparency Directive
- UCITS: Undertakings for Collective Investment in Transferable Securities