

David Stubbs  
Financial Conduct Authority  
12 Endeavour Square  
London  
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By email to cp20-12@fca.org.uk

27 August 2020

Dear David

### **Delay to the implementation of the European Single Electronic Format CP20/12**

We welcome the opportunity to comment on the proposal to delay the implementation of the European Single Electronic Format (ESEF).

As you know, The Chartered Governance Institute is the professional body for governance. We have members in all sectors and our Royal Charter purpose is to lead 'effective governance and efficient administration of commerce, industry and public affairs'. With more than 125 years' experience, we work with regulators and policy makers to champion high standards of governance and provide qualifications, training and guidance. The Institute is the professional body that qualifies Chartered Secretaries and Chartered Governance Professionals, which includes company secretaries. Company secretaries have a key role in companies' governance arrangements including, in many cases, their compliance with money laundering regulations.

Our members are therefore well placed to understand current concerns over the timeline for the implementation of ESEF. We would be wrong not to mention that we believe that the introduction of ESEF represents a significant cost for issuers with little or no commensurate benefit to the wider market and some of our members had, we know, hoped that Brexit might allow the UK to avoid ESEF altogether. We would welcome the FCA reconsidering its decision to implement ESEF at all. That said, our responses to your specific questions are as follows:



***Q1: Do you agree with our proposal to delay by 1 year the mandatory requirement for all issuers to publish their entire annual financial report in XHTML web browser format?***

Yes. We agree that a delay of one year to the mandatory requirement for all issuers to publish their entire annual financial report in XHTML web browser format is appropriate in the current circumstances where issuers have needed to focus on the challenges posed by the Covid-19 pandemic. However, we are aware that some companies are in a position whereby they will be able to meet the original deadline and we believe such companies should be able to publish their annual report in XHTML format and, indeed, be encouraged to do so.

***Q2: Do you agree with our proposal to delay by 1 year the mandatory requirement for issuers who prepare consolidated annual financial statements in accordance with International Financial Reporting Standards (IFRS) to publish these statements with tagging of basic financial information in ESEF machine-readable format, as set out in the RTS?***

Yes. We also agree that a delay of one year to the mandatory requirement for all issuers to prepare and publish consolidated annual financial statements with tagging of basic financial information in ESEF machine-readable format is appropriate in the current circumstances. We also believe companies that are able to meet the original deadline should be able to publish their consolidated annual financial statements with tagging of basic financial information in ESEF machine-readable format and should be encouraged to do so.

***Q3: Do you agree with our proposal to delay by 1 year the mandatory requirement for issuers who prepare consolidated annual financial statements in accordance with International Financial Reporting Standards (IFRS) to publish notes to the annual financial statements with tagging in ESEF machine readable format, as set out in the RTS?***

Yes. We also agree that a delay of one year to the mandatory requirement for all issuers to prepare and publish notes to the consolidated annual financial statements with tagging of basic financial information in ESEF machine-readable format is appropriate in the current circumstances. Again, we believe companies that are able to meet the original deadline should be encouraged to publish notes to the consolidated annual financial statements with tagging of basic financial information in ESEF machine-readable format.

If you would like to discuss any of the above comments in further detail, please contact me.

Yours sincerely

**Peter Swabey**  
Policy & Research Director