

Name of the organization: iwp (Institut Österreichischer Wirtschaftsprüfer)

Type of stakeholder: Auditors/Assurance providers

Country: Austria

Q1:

At the moment, it appears to us that no disclosure requirements required by the ESRS are missing from the current Draft ESRS Set 1 XBRL Taxonomy. Nevertheless, a full feedback will only be possible after extensive testing or experience from preparers and us as auditors with the taxonomy.

Q2:

[Intentionally left blank] [None of the respondents is in a role of an analyst or similar, so we cannot comment on this question]

Q3:

Generally Yes. However, based on the provided illustration file "Annex-1-Draft-ESRS-Set1-XBRL-Taxonomy-illustrated-in-Excel.xlsx", the Level 1-3 logic is not directly evident to us in the illustrative Excel file (for instance, in column A 'Level', levels reach from 1 to 9)? In addition, it remains somewhat unclear whether the proposed hierarchy of levels 1 to 3 only relates to textblock items or also other element types, as such a hierarchy might make sense also for other element types?

Q5a:

[Intentionally left blank. As assurance providers we do not see us as an intended user.]

Q5b:

Our respondents were undecided in this regard. While we understand the wish from users' perspectives for information to be easily analysed (such as Boolean "yes/no" information), we see practical issues from a preparer and assurance provider standpoint: Since the information in the human-readable report will not be presented in checkbox kind of disclosure, sometimes directly or indirectly inferring a Boolean disclosure from a narrative statement might be challenging, when not obvious. This also opens room for judgement or potentially significant materiality assessments (both on preparer and assurance provider side). (In order to illustrate this with an example: 2 entities might have started measures to reduce their GHG emissions. Entity A has already embarked on installing GHG reduction filters or similar, whereas Entity B has only had a meeting of the board members, that have decided to start a project. All this is transparently and correctly disclosed in the notes. Would the Boolean flag in both cases be "yes"? We fear that this would mean that valuable information is lost or incomparable information is seemingly made "comparable"?) At the same time, the ESRS do not demand such clear true or potentially misleading simplification. Therefore, putting a technical Boolean flag on a narrative disclosure opens areas of judgement and by that difficulties to reach an assurance conclusion on a Boolean flag (does 51% true justify "yes", while 49% requires a "no"?)

Q6a:

[Intentionally left blank] Comment only: We understand that the typed dimensions (or "soft-links") are a new concept which is unknown to the current world of ESEF for preparers, users and assurance providers. We believe that such new concepts should only be introduced following a diligent cost-benefit analysis for all stakeholders. From an assurance provider perspective, we need to define assurance programs on technical and content-wise aspects of this new concept. Therefore, specific enough guidance on this concept is required to implement such assurance programs. At the moment, we do not yet see sufficient guidance on this in the Explanatory Note and Basis for Conclusions document by EFRAG accompanying this request for comment. Also, the gap between (hard) legal technical requirements in the RTS and (softer) technical requirements by documents such as the ESMA ESEF reporting manual should be as narrow as possible. We would also recommend to EFRAG (or to ESMA or EC) a phased-in approach to allow all stakeholders to familiarize themselves to such new concepts (for instance via a phase-in to require such linkage only 1-2 years after first implementation of ESRS ESEF).

Q6b:

[Intentionally left blank]

Q7:

We have seen in the current ESEF/XBRL-Tagging that an extensive use of extensions impedes comparability amongst entities and decreases transparency. Therefore, a limitation (or even prohibition) of the use of extensions (or making them unnecessary) is viewed positively by our respondents.

Q8:

Every (meaningful) automated check enhances the quality of such reports from a preparer's and assurance provider's perspective. Comment: We understand that this taxonomy by EFRAG is a replication of the disclosure requirements by the ESRS. In our understanding, mandatory markups will thus be to be defined by ESMA at a later stage. Validation rules or consistency checks should take into account those (future) mandatory items. It should not be the case that an error (or even warning) is displayed, when no mandatory item is involved. Excessive (and unnecessary) warnings make it hard to analyse validation reports as they make it difficult to distinguish between errors that can be ignored and "real" errors.

Q9:

1. Future requirements for large undertakings: Respondents from our group of professionals frequently hold discussions with preparers, that are large undertakings and have to apply CSRD requirements including ESEF for their reporting periods starting on or after 01.01.2025. They are in the adaption process and see challenges in implementing CSRD requirements from a content perspective already. When confronted with additional ESEF requirements they understandably feel overwhelmed with the implementation task at hand. While undertakings subject to NFRD reporting already have at least some pre-experience with the technical aspects of ESEF, we believe that ESEF reporting on CSRD will even be a bigger challenge for large undertakings. Therefore we urge EFRAG, ESMA or the EC to introduce some kind of timed phase-in for the preparation or audit of ESEF statements for large undertakings (For instance that there is a phase-in with no mandatory audit requirement for 2025 and 2026 reports for large undertakings). 2. Name of elements: The IFRS ESEF taxonomy makes a logical distinction between "DescriptionOf ..." and "DisclosureOf ..." elements

(one being the qualitative accounting policy description and the other one all other topic-related disclosures). The ESRS ESEF taxonomy also uses both Labels for textBlock elements (amongst others). Based on first impression, we don't see a similar logical distinction of such elements. If there is no such distinction, it might be misleading for a preparer or user of both data sets, if there is a similar naming convention of elements in place but actually the convention follows a different (or no) logic of distinction.

3. ix-hidden property: Technical Booleans are constructed via the ix:hidden property of elements. In IFRS ESEF there were issues in the past, where such a property was wrongfully used by some software/software settings and the current ESMA XBRL manual even prohibits the usage of ix:hidden elements. It is therefore somewhat surprising, that the usage shall even be encouraged in this new context of ESRS. If the idea to prohibit the usage of the ix:hidden property is revisited, it should be reviewed, if this could not be applied also in other areas (along with the appropriate guidance, when it may be applied). For instance, we encountered issues when due to different levels of rounding in primary financial statements the same fact value was presented with different amounts (e.g. 123 mn equity on fact of the balance sheet, but 123.4 mn equity in the equity table, that shows mn with one decimals). This usually leads to calculation errors (due to the two-fold rounding) or even errors, where the same element has two "different" (duplicate) amounts. In such cases, using the ix:hidden property might even be positive, by helping avoiding inconsistent duplicates that are economically consistent. The displayed fact could be linked to a "hidden" amount that includes the correct or full amount (in our case 123.4). However, also other technical solutions for this "problem" would be highly welcome!

4. Question on note 183 in the document "Explanatory note and basis for conclusions document on Draft ESRS Set 1 XBRL Taxonomy": "EFRAG has registered the new Data Type Registry (hereafter: DTR) and Unit Type Registry (hereafter: UTR) entries; however, they might not be available for the launch of the Draft ESRS Set 1 XBRL Taxonomy" - What does that mean, are there any effects that preparers or we as assurance providers need to be aware of (for instance with Arelle validations)?