

Name of the organization: CECA (Spanish Association of Savings and Retail Banks)

Type of stakeholder: Preparers

Country: Spain

Q9:

The Spanish Association of Savings and Retail Banks (CECA) welcomes the opportunity to comment on the EFRAG Consultation on the draft XBRL Taxonomy for European Sustainability Reporting Standards (ESRS) Set 1. Please, find attached our consideration regarding the timeline for implementation and the harmonisation with financial information.

April 2024

COMMENTS

CONSULTATION ON THE DRAFT XBRL TAXONOMY FOR ESRS SET 1

EFRAG

Transparency Register number: 16951471658-73

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CECA COMMENTS TO EFRAG CONSULTATION ON THE DRAFT XBRL TAXONOMY FOR ESRS SET 1

The Spanish Association of Savings and Retail Banks (CECA) welcomes the opportunity to comment on the EFRAG Consultation on the draft XBRL Taxonomy for European Sustainability Reporting Standards (ESRS) Set 1.

The European Financial Reporting Advisory Group (EFRAG) has been tasked by the European Commission (EC) to develop the digital Taxonomy for the ESRS Set 1, designed for undertakings to report their sustainable reporting in a structured, machine-readable data format, useful to the users of sustainable information.

In order to contribute to the public consultation process, below are some observations that, in our opinion, should be taken into consideration.

I. GENERAL REMARKS

We support the legal basis of the development of a digital taxonomy for the sustainability reporting provided by Article 29 (d) of the Corporate Sustainability Reporting Directive (CSRD). A robust XBRL (*eXtensible Business Reporting Language*) Taxonomy will facilitate and standardise sustainability information in order to improve the transparency, reliability, comparability and accessibility of sustainability reports for stakeholders, and help them make informed decisions on ESG issues. Nevertheless, this XBRL Taxonomy should not impose an additional burden on companies and should enable them to create a user-friendly sustainability report. In this respect, we would like to make the following suggestions:

- **Timeline for implementation.** Companies subject to the Corporate Sustainability Reporting Directive (CSRD) will start to report ESRS indicators for the first time in their sustainability report in January 2025 for the 2024 financial year (or later according to the corresponding application date foresee in the Directive). According to the European Commission mandate issued to EFRAG, this sustainability report will be presented in the digital XBRL Taxonomy, which will first have to go through a public consultation process and then the European Securities and Markets Authority (ESMA) is expected to develop draft regulatory technical standards (RTS) which will have to be adopted by the Commission in a delegated act. Once finalised, the XBRL Taxonomy will serve as the basis for companies to report sustainability information. Due to the length of the legislative process, it would be helpful to have a tentative financial year from which the use of the XBRL taxonomy will be mandatory. In any case, we believe that the XBRL format should not be required for reporting sustainability information corresponding to the 2024 financial year but for the information corresponding to the 2025 financial year due to the time needed to adapt systems and processes to the new reporting format.
- **Harmonisation with other reported information.** It is important to note that many companies report their financial information in different formats as there is no obligation

to report financial statements in XBRL format for non-issuer companies. However, according to CSRD and the EFRAG public consultation, it will be mandatory to report sustainability information in XBRL format for all companies, regardless of whether they are issuers or not. Credit institutions are concerned about this strict requirement and the lack of harmonisation that will exist between the format required for reporting financial and non-financial information. In this sense, we consider that a waiver should be allowed for non-issuer credit institutions allowing them to report sustainability information in the format they currently elaborate financial information.

Madrid, 8 April 2024