

Name of the organization: ARKK

Type of stakeholder: XBRL experts

Country: Europe

Q1:

N/A. I am approaching this consultation from a software/tagging expertise rather than a sustainability expert, and so unfortunately do not have an opinion on this question.

Q2:

I think the taxonomy-centric preparation approach will help the end users a lot. If preparers use the taxonomy design to support the creation of the sustainability report, more reports will share the same content and structure, and therefore comparability will increase for end users.

Q3:

I think the hierarchy is very important and it is something we have definitely missed within the current ESEF taxonomy (for narrative text blocks). As the taxonomy has so many elements it can be difficult for preparers to ensure that every relevant tag possible is used. The hierarchy will help preparers to navigate through the taxonomy, but it also encourages the preparer to find and consider more tags that can be used.

Q4: I think that using the same XBRL tag, with dimensions to disaggregate it, will definitely help reduce the need for extensions. This is good as extensions can be error-prone and vary massively across reports reducing comparability. However, I fear that without some sort of naming convention for the typed dimensions, we may find the comparability being affected through this function instead.

Q5a:

Yes, I agree both will help end users with fact extraction, analysis and comparability. If I understand correctly, the drop-down enumerations seem to be a very similar function to the 'FixedItemType' elements used in the FRC taxonomies in the UK. As this is already actively being used, was this this function investigated and considered?

Q5b:

NA

Q6a:

As stated in a previous answer, I fear that without some sort of naming convention for the typed dimensions, we may find the comparability being affected through this function, similar to that of extensions.

Q6b:

N/A

Q8:

It would be useful for the tags that will produce an error or warning within the first 2 validations to be stated in a list within guidance, in a similar way to ESEF's mandatory elements being given in the RTS. I think it is unrealistic to expect preparers to tag disclosures that are not relevant to their report with nil values, just to avoid validation messages. I think this adds unnecessary work and time to an already time consuming process, and will lead to mistakes and disclosures being misreported.

Q9:

Chapter 6.1: The methodology stated mentions 2 methods for preparation; Content first and Taxonomy-centric. I think a 3rd method exists which is a mix of both. For cost and time reasons, many companies will choose to outsource their iXBRL tagging to XBRL experts. This doesn't necessarily mean that they not using the XBRL taxonomy to structure their content. Chapter 6.12: The lack of interoperability between the datapoints within the digital sustainability taxonomies for ESRS and IFRS S1 and S2 is disappointing, especially as many companies will need to use both. In saying this, I understand that both taxonomies are being developed by different organizations at slightly different phases in their timeline. It is encouraging to see that EFRAG will continue co-operating with ISSB to overcome the challenges.