EUROPEAN SECURITIES MARKET AUTHORITY
For the attention of Mr Eduardo Moral-Prieto
201-203 Rue de Bercy
75012 Paris

Paris, the 19th of March 2025

Subject: Questions and/or suggestions for ESMA to consider for the ESEF Reporting Manual July 2026 – prepared by XBRL France (ESEF mapping Working Group)

Dear madam, dear sir,

Please find enclosed the Questions and/or suggestions for ESMA to consider for ESEF Reporting Manual prepared by XBRL France (ESEF mapping Working Group)

This XBRL France document reflects the French specificities regarding its own market and all the stakeholders vis-à-vis ESEF implementation.

Thank you for the opportunity to provide you with our questions and suggestions

Yours sincerely

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Questions and/or suggestions for ESMA to consider for ESEF reporting manual

July 2026 – prepared by XBRL France (ESEF mapping Working Group)

Questions/suggestions unrelated to IFRS 18 implementation

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9) **Tagging of notes**

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10) **Use of labels to select appropriate elements (addition to guidance 1.3.1)**

The proposals from XBRL France for the review of the ESEF Reporting Manual aim to enhance it by promoting consistent and comparable approaches to certain aspects of ESEF Regulation implementation, where no single practice or interpretation has yet gained consensus. Clarifications within the Reporting Manual would provide guidance enabling preparers to avoid uncertainty in such situations and to work more efficiently, with clear answers to these recurring debates or new questions related to the IFRS18 implementation.

Questions/suggestions unrelated to IFRS 18

1) **Use of "Other XXX" tags**

The IFRS Accounting taxonomy encompasses a number of tags labelled as "Other xx" that are relevant to tag residual undetailed amounts (e.g. OtherCurrentFinancialAssets).

These tags have a documentation label that explains that the tags are to be used for amounts "that the entity does not separately disclose in the same statement or note".

The documentation label makes it clear that these tags cannot be used for amounts that are presented in a given statement or note if there is a disaggregation of the amount (which could be total or partial) in the same statement. That is the case for instance for subtotals whose components are also displayed, or when there is a reference to an explanatory note at the bottom of the table or note that disaggregates the amount.

Conversely, the documentation label is not clear for amounts presented in the primary financial statements that are disaggregated in ~~in~~ a separate statement or note. Additionally, according to the ESEF regulation, such notes are block-tagged: while the breakdown is disclosed in a human readable manner, the entity does not disclose the breakdown as a fully tagged information. For such cases, we observe mixed practice amongst issuers.

We observe that

- there is mixed practice in this area, which affects comparability
- this is a widespread issue, as almost all issuers have residual lines described as "other xx"
- this is the only case that we are aware of where the selection of tags could be affected by the granularity of tagging (i.e. would depend on whether monetary items in the notes are tagged or not)

Also, the IFRS Accounting taxonomy that embeds IFRS 18 does not change regarding "other" concepts, and their documentation labels remain unchanged. The issue will therefore not be solved once IFRS 18 is effective. However, IFRS 18 should reduce the number of cases in which the problem arises as it should reduce the occurrence of "other" labels in the human readable layer of the report, due to the guidance in IFRS 18.B25-B26 that will compel issuers to try and find more informative labels.

The issue is illustrated with an example in **appendix 1** to this paper.

We have identified 3 views for amounts presented in the primary financial statements, with a human label that is "Other XX", when there is a reference to a note where the amount is disaggregated.

View 1: the amount should be tagged with an extension (using narrower anchors if relevant)

Proponents of this view argue that a tag "Other XX" used in a primary financial statement with a reference to Note XX (where the amount is disaggregated) is not relevant as the conditions for its use, explained in its documentation label, are not met. In effect, the amount is separately disclosed in the primary financial statement through the reference to Note XX (the separate disclosure of the amount is incorporated in the primary financial statement by the reference)

They further argue that:

- the granularity of tagging should have no effect on the selection of tags, and the use of an extension permits to ensure comparability:
    - between two sets of tagging for a single issuer that applies both ESEF and SEC tagging as an FPI
    - with peers that prepare detailed tagging either voluntary or to file with the SEC as FPIs
    - between current ESEF tagging and potential future ESEF rules implying detailed tagging
- the use of an extension (together with the ESEF anchoring system) provides a better information than the use of Other XX, which provides no information as to the content of the line item
- the use of an extension permits to run consistency checks between this line item and other tags in the primary financial statement based on the anchoring system

View 2: the amount should be tagged with the tag "Other XX" corresponding to the human label

Proponents of this view argue that the tag Other XX is relevant as the amount is not separately disclosed on the face of the primary financial statement. As there is an existing core taxonomy element relevant for the line item, it cannot be tagged with an extension (RTS Annex IV 3-4).

They further argue that:

- the granularity of tagging may have an effect on the selection of tags as it changes the scope of line items being tagged and therefore changes which line items reflect residual amounts

- the use of an extension (together with the ESEF anchoring system) is more complicated and may not provide a better information than the use of Other XX. This depends on whether the main content corresponds to items that can be identified with a narrow anchor
- if an extension is used, its XBRL label cannot be "Other XX", as the label of an extension cannot be similar to that of a standard concept. This would imply to twist the XBRL label and result in an XBRL label different from the human readable label. One would then need to consider whether the human readable label would need to be changed (and be made more descriptive)

View 3: the amount could be tagged either with an extension or with the "Other XX" tag as ESEF regulation as IFRS Accounting taxonomy and ESEF rules are not clear for this fact pattern

Proponents of this view argue that it is unclear whether the amount should be considered as being separately disclosed in the primary financial statements. Therefore issuers should make their judgement and assess whether they use an extension or the standard "other" concept.

The same judgement should be made for all "other" concepts used by the issuer.

To avoid view 3, a recommendation in the ESEF Reporting Manual for view 1 or view 2 could help preparers to develop harmonised approaches on the matter, increasing comparability and efficiency.

Recommendation: as this is a widespread issue, where there is a lot of diversity in practice, we recommend ESMA to clarify which view should be followed. In France, our working group recommend creating an extension for significant amounts when narrower anchors can be added, as it seems closer to the expectation from the IFRS Accounting taxonomy documentation label, it is aligned with what will be requested once full detailed tagging becomes mandatory and it is generally more informative about the content.

2) Tagging of proposed dividends

The ESEF Regulation lists two relevant IFRS taxonomy elements that must be applied when such information is disclosed:

- DividendsProposedOrDeclaredBeforeFinancialStatementsAuthorisedForIssueButNotRecognisedAsDistributionToOwners: for dividends proposed or declared after the reporting date but before authorisation of the financial statements, not yet recognised as a distribution.

- DividendsProposedOrDeclaredBeforeFinancialStatementsAuthorisedForIssueButNotRecognisedAsDistributionToOwnersPerShare: the corresponding per-share disclosure.

At present, we observe at least two different approaches among issuers:

- Some entities tag only the dividends that are recognised in equity in accordance with IAS 10, using the standard IFRS Taxonomy elements; any dividends proposed but not yet recognised at the reporting date are presented in narrative or only in the notes.
- Other entities tag the total amount of dividends announced to shareholders for the period (i.e. dividends recognised in equity under IAS 10 plus the portion not yet recognised at the reporting date) with the same IFRS Taxonomy element, or with extensions anchored to that element.

Both practices may be acceptable from an IFRS perspective, but in the ESEF context they lead to non-comparable digital data. In particular, users attempting to compare the level of dividends or dividends per share across entities cannot easily determine whether a tagged amount corresponds to (i) dividends recognised in equity, (ii) the total dividends announced for the period, or (iii) a mix of both.

Within the XBRL France working group, we have discussed whether it would be preferable, for ESEF purposes, to tag the total balance of dividends announced to shareholders (i.e. dividends recognised in equity plus the portion not yet recognised) with the standard dividend element DividendsRecognisedAsDistributionsToOwnersPerShare~~DividendsRecognisedAsDistributionsToOwnersPerShare~~, and to use narrative disclosure or separate extensions to distinguish between the recognised and unrecognised parts. However, we are concerned that this approach could reinforce the comparability issues described above if different entities adopt different tagging judgements without clear guidance.

Considering its expected workplan, the IFRS Foundation may review the tags and their definition, but in the meantime, we would therefore welcome explicit guidance in the ESMA Reporting Manual, to increase common understanding and harmonized use, on:

- which amounts should be tagged with the standard IFRS Taxonomy dividend elements in the primary statements (recognised dividends only, total dividends announced to shareholders, or another basis);

- how entities should tag, if relevant, the portion of dividends that is proposed but not recognised at the reporting date; and
- how to ensure that tagged data relating to dividends and dividends per share are comparable across entities and periods (for example, by recommending a specific tagging pattern or extension / anchoring approach).

In the absence of such guidance, we expect that preparers, auditors and data users will continue to face inconsistent practices and recurring discussions on this topic, without a clear reference in the ESEF framework.

Recommendation: we would appreciate clarification in the ESMA Reporting Manual concerning how to tag dividends – declared, proposed and paid – in the statement of changes in equity and in the notes.

3) Selection of labels

RTS Annex IV.4d requires that “All extension taxonomy elements created shall have standard labels in the language corresponding to the language of the annual financial report. Labels in additional languages are recommended to be added. <u>All labels shall correspond to the accounting meaning and scope of the described underlying business concepts</u>.”

We observe significantly different practices in the implementation of this requirement, and therefore we would like to request the addition of guidance in the Reporting Manual covering this requirement.

a) A first clarification that creates consensus in the members of our working group is that “correspond to the accounting meaning and scope” first means to make clear whether the extension element is an element of income, an expense, an element of other comprehensive income, a cash inflow, a cash outflow, a change in equity, an asset, a liability, or a component of equity (and more generally the classification of the element); and that a clear way to do so is to construct the label in a way that is consistent with how the labels of such items are provided in the ESEF taxonomy, for instance:
   - By labelling adjustments in the operating part of a cash flow statement in the indirect method as “Adjustments for …”
   - By labelling cash inflows in the investing section of a cash flow statement as “Proceeds from…” or “Cash flows from…”

- By labelling an element of other comprehensive income net of tax as "Other comprehensive income, ..., net of tax"
- By labelling a current liability, when the involved items could also be non-current, as "Current ..."

An additional clarification in the Reporting Manual that simply copying the line header cannot be considered to meet the RTS requirement if that line header does not carry this meaning seems appropriate. For instance, for a line item in a cash flow statement showing the value of the adjustment for the disposal of a specific asset may be displayed in the report as "Disposal of [specific asset"] or even just "[Specific asset]" and still be understandable given its position in the financial statements, however using these as labels would not match the RTS requirements.

b) Another aspect of "**correspond to the accounting meaning and scope"** can be with regards to the actual components of a line item in the financial statements, when context around the line items is necessary to understand its meaning.

For instance, if an income statement has two expense line items, one presented as "Share-based payments" and another one as "Employee benefits expense", it is clear on paper that the "Employee benefits expense" line excludes share-based payments expenses; accordingly, the "Employee benefits expense" amounts cannot be tagged with the "Employee benefits expense" element from the ESEF taxonomy, and an extension must be created. We observe such cases where the extension is labelled "Employee benefits expense", and therefore we believe it would be useful to clarify that in such cases, the label of the extension must make it clear (as it is on paper) which items the extension includes and excludes, with in this example a label such as "Employee benefits expense, excluding expense from share-based payments".

c) A case that creates less consensus among the members of our working group, and where as a consequence we would welcome ESMA's opinion as a guidance in the Reporting Manual, concerns cases similar to b) where the meaning of a line does not match its presentation in the report, but where this information is not clearly shown in the report either.

For instance, if an income statement has two expense line items, one presented as "Employee benefits expense", and another presented as "Other operating expenses", and this latter line includes share-based payments without this fact being explicitly stated in the income statement or the notes, then should the "Employee benefits expense" be labelled as "Employee benefits expense, excluding expense from share-based payments"?

The core of the questions concerns the fact that:

- On one hand, in the above situation, it was not deemed necessary to clarify for readers of the human-readable layer that the Employee benefits expense line excluded share-based payments, and therefore we can question whether then it should be deemed necessary for the machine-readable layer.
- On the other hand, not making the clarification and labelling it as "Employee benefits expense" may also create confusion for users as to why an extension was created.

If the label, when read in its overall presentation context, is not clear on paper, we suggest that ESMA should remind preparers, particularly now under IFRS 18, that the label must also be made explicit, in addition to the taxonomic label. The digitalisation process thereby enhances the overall quality and clarity for all readers.

Recommendation: we suggest ESMA to add guidance in the Reporting Manual about how to define extension labels that correspond to the accounting meaning and scope of the described underlying business concepts.

4) Changes in concept names of extensions

The concept name (also called "element name" or "name" or "URI" Uniform Ressource Identifer in Annex VI of the RTS) of an extension is its identifier. It represents the extension. Changing the concept name of an extension means changing the extension.

This means that one expects that once a concept name has been defined for an extension, this should not change for one period to the other, so as to permit users to understand a series of historical data. Conversely, if the content of a line item changes, one would expect the extension (and therefore its concept name) to change.

This is also consistent with the principle of "continuity of presentation, disclosure and classification (...) from one reporting period to the next" set out in IFRS 18, which should apply across all formats in which financial statement data are presented, whether human-readable or machine-readable.

Issues have come up recently in this area when issuers change tagging tools or when tagging tools automate the way the concept names are built based on the label of the extension. In such cases, names of extensions (and therefore extensions change) whereas the content remains the same.

Recommendation: we recommend ESMA to clarify that names of extensions should only change when the content changes, so as to permit users to be able to compare a series of historical data. It could be suggested to software vendors to provide systems which allow such continuity.

5) Inter-period calculations

Complete illustration for the cash flow statement

We support the objective of Guidance 3.4.8 in the Reporting Manual, which is to document arithmetical relationships that cannot be expressed through the calculation linkbase, in particular cross-period relationships in primary financial statements.

However, we believe that the cash flow statement example currently included in the Reporting Manual represents only a simplified case. The example assumes a direct relationship between:

- Cash and cash equivalents at beginning of period
- Net increase/decrease in cash and cash equivalents after effect of exchange rate changes
- Cash and cash equivalents at end of period

In practice, many issuers present a more developed structure. In particular, the effect of exchange rate changes on cash and cash equivalents can be presented as a separate line item. In such cases, the relationship is not:

Opening cash + Net increase/decrease after FX = Closing cash

but rather:

Opening cash

+ Net increase/decrease before FX

+ Effect of exchange rate changes

= Closing cash

In addition, cash and cash equivalents at the beginning and at the end of the period may be further broken down into components (for example cash at central banks, demand deposits with credit institutions, overdrafts or other short-term cash-equivalent items). This means that the presentation linkbase may need to represent both:

Opening cash = component A + component B + component C

Closing cash = component A + component B + component C

and:

Closing cash = Opening cash + movements during the period (component 1 + component 2)

This creates a more complex structure than the one currently illustrated in Guidance 3.4.8.

It is therefore suggested that ESMA expand Guidance 3.4.8 with a more comprehensive cash flow statement example.

One possible structure could be the following:

Cash and cash equivalents at beginning of period (periodStartLabel)

    Component A of Cash and cash equivalent

    Component B of Cash and cash equivalent

    Component C of Cash and cash equivalent)

Increase/decrease in cash and cash equivalents [abstract]

    Component 1 of variation of cash and cash equivalents

    Component 2 of variation of cash and cash equivalents

Cash and cash equivalents at end of period (periodEndLabel)

    Component A of Cash and cash equivalent

    Component B of Cash and cash equivalent

    Component C of Cash and cash equivalent

We consider that such a structure would be more aligned with the organisation proposed in Guidance 3.4.8 to illustrate arithmetical relationships in the presentation linkbase for the statement of changes in equity. It would also make it easier to address the diversity of cash flow statement presentations observed in issuers' reports. We acknowledge that, in some cases, this approach may not allow the presentation linkbase to follow the visual order of the line items in the human-readable financial statement, as referred to in Guidance 3.4.6. However, in our view, Guidance 3.4.6 and Guidance 3.4.8 may sometimes lead to conflicting requirements and may not always be capable of being fully complied with at the same time. We therefore suggest that ESMA add a sentence or paragraph to Guidance 3.4.8 clarifying that, where necessary to document the arithmetical relationship in accordance with the structure proposed in Guidance 3.4.8, the order of the presentation linkbase may differ from the visual order of the corresponding line items in the report, and that in such cases the organisation proposed in Guidance 3.4.8 should prevail.

This structure should not, however, be understood as preventing or replacing the use of the calculation linkbase. Where certain relationships presented in the cash flow statement correspond to standard arithmetical relationships that are consistent, complete and can be expressed through calculation relationships, issuers should also document those relationships in the calculation linkbase of the relevant report package. This may be the case, for example, for the breakdown of cash and cash equivalents into its components, where the components are complete and reconcile to the reported total.

Clarification concerning subtotals in the statement of change in equity

Another issue may arise in the statement of changes in equity where the movements between opening equity and closing equity include subtotals, or where certain line items appear in the human-readable statement within the movements section but are not intended to contribute arithmetically to the reconciliation between opening equity and closing equity.

For example, an issuer may present the following structure in the human-readable statement of changes in equity:

Equity at beginning of period

Profit or loss

Other comprehensive income

Total comprehensive income

Dividends

Issue of shares

Other transactions with owners

Total transactions with owners

Equity at end of period

Where: Profit or loss + Other comprehensive income = Total comprehensive income

And Dividends + Issue of shares + Other transactions with owners = Total transactions with owners

If the presentation linkbase simply follows the visible order of the statement, all these line items could be presented as direct children of the overall "increase/decrease in equity" abstract. In that case, the presentation structure would include both the subtotal "Total comprehensive income" and the line items composing that subtotal, such as "Profit or loss" and "Other comprehensive income". If the presentation tree is used to infer arithmetical relationships, this may lead to double counting.

In such cases, we believe that the presentation linkbase should allow the use of indentation to distinguish the line items composing a subtotal from the subtotal itself, with additional abstract items used where appropriate. The structure could therefore be documented as follows:

Equity at beginning of period (periodStartLabel)

Increase/decrease in equity [abstract]

Total comprehensive income [abstract]

Profit or loss

Other comprehensive income

Total comprehensive income (totalLabel)

Total transactions with owners [abstract]

Dividends

Issue of shares

Other transactions with owners

Total transactions with owners (totalLabel)

Equity at end of period (periodEndLabel)

This would make it clear that the components of each subtotal are not direct components of the overall increase/decrease in equity, but rather components of an intermediate subtotal. Such a structure would better support the arithmetical interpretation intended by Guidance 3.4.8 and would reduce the risk of double counting where subtotals are included in the movements section of the statement of changes in equity. This should not, however, be understood as replacing the calculation linkbase where the subtotal represents a standard arithmetical relationship that can be expressed through calculation relationships. In such cases, the subtotal and its components should also be documented in the calculation linkbase of the relevant report package.

Recommendation: we recommend ESMA to present more complete illustrations and explanations on inter-period calculations.

6) Selection of roles (guidance 3.4.7)

Guidance 3.4.7 of the Reporting Manual is a *recommendation* of the creation of a new extended link role in extension taxonomies for each section of the Primary Financial Statements, together with a requirement to identify the section with human readable descriptions in a link:definition element in its schema.

We observe a relatively widespread practice where some extension taxonomies *copy* the extended link roles from the IFRS/ESEF taxonomies, and use these in their linkbases. However, they are often used in ways that do not correspond to the original meaning of these ELRs. For instance, the calculation of comprehensive income in the statement of changes in equity is under the “Statement of comprehensive income, OCI components presented net of tax” ELR, while the roll-up calculation of comprehensive income presented before tax may be presented in the “Statement of comprehensive income, OCI components presented before tax” ELR. Similarly, calculation linked to cash flows are regularly put in the “Statement of cash flows, direct method” ELR even though the statement of cash flow of that entity is in the indirect method.

As the creation of ‘new’ extended link roles is only a recommendation and the requirement only applies to ELRs ‘created’ by the issuer in the current guidance, it is unclear how to solidly argue against the practices described above.

Recommendation: we therefore believe it would be very useful to clarify in Guidance 3.4.7 that its second part also applies to ELRs copied from the ESEF/IFRS taxonomies (or to prohibit that practice), and that including this into the Conformance Suite as additional test cases for Guidance 3.4.7 would be easy.

7) Entry points in the 2025 taxonomy

Recommendation: As the ESEF 2025 framework, based on the IFRS Foundation taxonomy, introduces distinct entry points dedicated respectively to IAS 1 and IFRS 18 presentations, we suggest that ESMA include in the Reporting Manual and the Conformance Suite a rule requiring that used tags and extension-concept definitions draw exclusively on items from a single entry point.

Questions/suggestions related to IFRS 18

8.1) Should the selection of tags in the P&L take into account the implementation label in the IFRS taxonomy?

New requirements in the IFRS 18 TU

The Taxonomy update specifies the label of a line-item element for the P&L should reflect the category of the element in the statement of profit or loss (operating, investing, financing...) [TU 20]

The IASB added guidance labels to explain to preparers that they should not use line-item elements that do not reflect a category in their label to tag line items in the statement of profit or loss. Such guidance is necessary because if entities were to use such elements to tag line items in the statement of profit or loss users would not be able to determine the category of the item of income or expense. [TU 29 & 138]

139 The IASB added guidance labels for:

(a) line-item elements for which the IFRS Accounting Taxonomy includes (an) element(s) that reflect(s) the category of the element(s) in its (their) label (see Figure 5); and

(b) line-item elements for which there is no corresponding element in the IFRS Accounting Taxonomy that reflects the category of the element in its label (see Figure 6).

Figure 5 – Guidance label for line-item elements described in paragraph 139(a)

Do not use this line-item element for the statement of profit or loss. This element is used only to tag information in the notes. The IFRS Accounting Taxonomy includes (an) element(s) that could be used for the statement of profit or loss (or for the notes if the element(s) more closely represent(s) the amount(s) disclosed). If no suitable element is included in the IFRS Accounting Taxonomy, an extension element needs to be created. The label of that extension element should reflect the category of the element in its label.

Figure 6 – Guidance label for line-item elements described in paragraph 139(b)

Do not use this line-item element for the statement of profit or loss. This element is used only to tag information in the notes. If no suitable element is included in the IFRS Accounting Taxonomy, an extension element needs to be created. The label of that extension element should reflect the category of the element in its label.

The requirements in the ESEF RTS

When marking up disclosures, issuers shall use the core taxonomy element with the closest accounting meaning to the disclosure being marked up. Where there appears to be a choice of core taxonomy elements, issuers should select the element with the narrowest accounting meaning and/or scope. [RTS Annex IV. 3]

The status of the guidance labels in the European RTS

The guidance labels in the IFRS taxonomy are not reflected in the ESEF RTS. They are however part of the technical files of the taxonomy in English.

The issue at stake

It is not clear whether an issuer applying the ESEF RTS should comply with the guidance in the IFRS 18 TU as regards the line-items that can be used in the P&L.

The requirements of the ESEF RTS and the IFRS 18 TU could even be seen as contradictory in case a line-item that has not been categorized in a P&L category appears to be the line-item with the closest accounting meaning to the element being tagged. If this apparent contradiction is not resolved, then diversity in tagging selection might arise amongst jurisdictions.

For instance, when the item to be tagged is "Interest expense on borrowings and lease liabilities", then the line-item with the closest accounting meaning might be *InterestExpenseForFinancialLiabilitiesNotAtFairValueThroughProfitOrLoss*, which label is not categorized in a P&L category and should not be used for P&L tagging according to its guidance label.

It is therefore debatable whether that core taxonomy element should be used, or whether an extension should be used.
Recommendation: we recommend ESMA to clarify that issuers should consider the IFRS Accounting taxonomy guidance labels when selecting P&L tags and only use tags with a label that reflects the P&L category when tagging P&L elements. This would ensure comparability in tag selection amongst jurisdictions

8.2) Labelling of P&L extensions (category related suffix)

The IFRS 18 TU requires the following regarding the labelling of extensions:

Labelling extension line-item elements created for the statement of profit or loss

Preparers should include in the label of extension line-item elements created for the statement of profit or loss the category of that element. The labelling should follow the same logic as applied by the IASB in labelling income and expense elements. For example, the labelling should end with '..., operating' or '..., investing'.

Including the category of the element in the label of extension line-item elements provides useful information to users of digital financial statements (paragraph 20). If an entity does not reflect the category of an extension line item element in its label, but instead, for example, decides to use the same label for the extension line-item element as it uses in its paper-based financial statements, a user of digital financial statements will not be able to identify in which category of the statement of profit or loss the extension line-item element is included. [TU 119]

Recommendation: we recommend ESMA to clarify that issuers should apply the IFRS 18 TU requirements regarding labelling of extensions and include a category related suffix. This would ensure comparability in extension labelling amongst jurisdictions.

8.3) Labelling of extensions (human label vs label of concept in the IFRS Accounting taxonomy)

In cases where the line-item element corresponds to an existing tag in the IFRS Accounting taxonomy that has not been categorized and is therefore not suitable for P&L tagging, an extension should be used.

There is however a question as to how the line-item element should be best labelled: should the standard label be that of the human readable label in the report or should it be that of the corresponding concept in the IFRS Accounting taxonomy.

For example, if one considers that the content of the line item "Interest expense on borrowings and lease liabilities" exactly matches the concept *InterestExpenseForFinancialLiabilitiesNotAtFairValueThroughProfitOrLoss, should the standard label of the extension be "Interest expense on borrowings and liabilities, financing" or "Interest expense for financial liabilities not at fair value through profit or loss, financing"*

Recommendation: we recommend ESMA to clarify that when a P&L line item content matches a concept in the IFRS accounting taxonomy that is not suitable for P&L tagging because it has not been allocated to a category, then the extension should have the name and label of that concept with a suffix for the P&L category. That would ensure better comparability for P&L lines that do not correspond to concepts that have been categorized.

NB: The recommendation, in the case of categorised items in the P&L, to base the extension label on the standard taxonomy label rather than on the paper-displayed label does not imply any intention to apply such a rule to all extension labels.

8.4) Transition to IFRS 18 for extensions – when should the conceptname / label of extensions be changed

The principle in the IFRS 18 TU for items of income and expense that all entities would present in the same category, the IASB changed the labels of those line-item elements to reflect the category of the respective elements [TU 24]

Therefore, it appears that for P&L extensions that encompass a similar content before and after IFRS 18, the conceptname of the extension would be retained, and only the label could be changed to reflect the P&L category.

Conversely, if the content of a line item tagged with an extension changes before and after IFRS 18, even though the human label remains similar (which would probably be rare), then we would expect the extension to be changed. This would be consistent with the process that the IASB has used for the IFRS 18 taxonomy: in effect, the IASB has for instance changed the conceptname for operating profit as part of the IFRS 18 Accounting Taxonomy (see extract below from a note to TU 3.

4 For example, the IASB deprecated the common practice element 'Profit or loss from operating activities' because that subtotal is not defined in IFRS Accounting Standards and might include items of income and expense other than those included in the defined subtotal 'operating profit or loss', which entities are required to present applying IFRS 18. Because the IASB added an element for 'operating profit or loss', retaining the element 'Profit or loss from operating activities' might risk preparers continuing to use that element to tag the required subtotal 'operating profit or loss' (and risk users being misled by comparing data tagged using the element 'Profit or loss from operating activities' from periods before the application of IFRS 18 with tagged data from periods after application of IFRS 18, which might not be comparable).

Recommendation: we recommend ESMA to provide guidance regarding the impact on extensions when transitioning to IFRS 18. In particular, we recommend clarifying that concept names should remain unchanged when the content remains similar and conversely, we recommend to change the names of extensions when the content changes.

8.5) Selection of anchors for P&L extensions

Wider anchoring

According to the ESEF RTS (Annex IV 9(a)), the wider anchor should be the core taxonomy element having the closest wider accounting meaning and/or scope to that extension taxonomy element of the issuer.

It is debatable whether the wider anchor should be a core taxonomy element within the same P&L category or whether it could be an element that is not categorized.

For instance, if the extension is *ext:InterestExpenseOnBorrowingsAndLeaseLiabilitiesFinancing (Interest expense on borrowings and lease liabilities, financing),* it is debatable whether the wider anchor should be InterestExpenseForFinancialLiabilitiesNotAtFairValueThroughProfitOrLoss, which in absolute terms is the element with the wider closest accounting meaning (it even has the same meaning, but could in theory encompass similar expenses in other P&L categories) or whether the wider anchor should be selected within the same P&L category, and in this case, it would presumably be InterestExpenseFinancing.

Narrower anchoring

According to the ESEF RTS (Annex IV 9(b)), the narrower anchor should be the core taxonomy element or elements having the closest narrower accounting meaning and/or scope to that extension taxonomy element concerned. The ESEF RTS specifies that the extension “combines” core taxonomy elements.

As narrower anchors are combined within an extension, there is a question as to whether narrower anchors could be elements that are not categorized in a P&L category, because they do not appear to be included / combined within elements that are categorized. They could actually be larger then the elements categorised in the P&L category.

Recommendation: we recommend ESMA to provide guidance regarding how anchors should be selected to ensure comparable implementation of IFRS 18 tagging

9.1) Useful voluntary block-tags

The 2025 RTS has not substantially changed the list of mandatory block-tags to be used. However, with the IFRS 18 taxonomy, new block-tags have been introduced that seem particularly relevant for issuers applying IFRS 18.

These block tags are as follows:

DisclosureOfReconciliationBetweenRestatedAmountsPresentedApplyingIFRS18AndAmountsPreviouslyPresentedApplyingIAS1Explanatory	Note explaining transition from IAS 1 to IFRS 18
DisclosureOfSpecifiedExpensesByNatureExplanatory	Note for specified nature of expenses
DisclosureOfManagementdefinedPerformanceMeasuresExplanatory	Note for MPMs

Recommendation: we recommend ESMA to encourage the use of these voluntary block tag, and also to indicate which block-tags form the RTS mandatory list should be added to these new IFRS 18 notes. We also suggest ESMA to encourage issuers to provide detailed tagging of MPMs and specified nature of expense tables as direct access to this information is particularly expected.

10) Use of labels to select appropriate elements (addition to guidance 1.3.1)

We have observed that certain changes within the taxonomy may create a risk of confusion, as some concept labels differ quite markedly from the corresponding concept names. Section 1.3.1 of the Reporting Manual already provide guidance recommending using the labels to select appropriate elements, and can be completed to mention the last changes.

Recommandetion: Section 1.3.1 of the Reporting Manual could usefully be expanded to draw preparers' attention to differences between labels and names, helping mitigate the risk of error. The following addition at the end of guidance 1.3.1 is suggested:

Each element in the taxonomy also has a 'name', that serves as a technical identifier, and is often built from similar words as standard labels. For instance 'ProceedsFromIssuingShares' is the name of the element whose standard label is 'Proceeds from issuing shares'.

When the accounting meaning or scope or an element in the taxonomy changes across taxonomy versions, its standard label changes while its name may not. For that reason, it is not appropriate to select an element using its name rather than the standard label, documentation label and reference(s) as described above.

Preparers applying IFRS 18 should be in particular aware that:

- the classification as operating, investing or financing of income and expenses are reliably part of the standard label of an element, but not necessarily in its name.
- the element whose name is DisclosureOfChangesInAccountingPoliciesAccountingEstimatesAndErrorsExplanatory now has the "Disclosure of basis of preparation of financial statements [text block]" standard label and that its meaning accordingly covers all IAS 8 disclosures.

Appendix1: Use of "other XX" tags - Illustrative Example

A line item in the balance sheet is labelled "Other current non financial assets"

The content of this line item is detailed in a note. It encompasses current tax and social security receivables, prepayments and other assets that are not material and are undisclosed

The note reads as follows:

Note XX - Other current non financial assets

In millions CU	
Tax and social security receivables	100
Prepayments	250
Other	25
Other current non financial assets	**375**

Case 1: all monetary amounts are tagged

If monetary amounts in this note are tagged, then the tag OtherCurrentNonFinancialAssets is used to tag the residual amount of CU 25.000.000. This amount clearly corresponds to "the amount of current non-financial assets that the entity does not separately disclose in the same statement or note."

No standard concept exists for the line item that totals CU 375.000.000 and it needs to be tagged with an extension that should have an XBRL label that accurately describes its content. Presumably it could be "Tax and social receivables, prepayments and other current non financial assets". One would also need to consider whether the human readable label should be changed to a more descriptive label.

Note that even if there was no "other" line in the note, the line item that totals CU 375.000.000 would still need to be tagged with an extension, as it does not represent the amount of current non-financial assets that the entity does not separately disclose in that note (as it is detailed) and therefore cannot be tagged with OtherCurrentNonFinancialAssets.

The line item in the balance sheet would be tagged with that extension.

Case 2: only amounts in the primary financial statements are tagged

In this case, the amount of CU 375.000.000 is the only amount being tagged as part of the statement of the statement of financial position. It is presented as follows:

Extract of statement of financial position

In millions CU	*Note*	
…		
Other current non financial assets	Note XX	375
…		

In this case, it is less clear whether the amount of CU 375.000.000 can/should be tagged with OtherCurrentNonFinancialAssets as it is not separately disclosed on the face of the statement of financial position but only through the reference to note XX.

Note that some issuers that are listed in both the EU and in the US (and report in IFRS as FPIs) may tag the amount of CU 375.000.000 differently for ESEF purposes (with OtherCurrentNonFinancialAssets) and for SEC purposes (with an extension, while the amount of CU 25.000.000 is tagged with OtherCurrentNonFinancialAssets)

Possible views for ESEF tagging when only primary financial statements are tagged

For a scenario similar to the above (case 2), we have identified arguments for the following views as to how the amount of CU 375.000.000 should be tagged in the statement of financial position:

View 1: the amount should be tagged with an extension (using narrower anchors if relevant)

View 2: the amount should be tagged with OtherCurrentNonFinancialAssets

View 3: the amount could be tagged either with an extension or with OtherCurrentNonFinancialAssets as the ESEF regulation and the IFRS Accounting taxonomy are not clear for this fact pattern