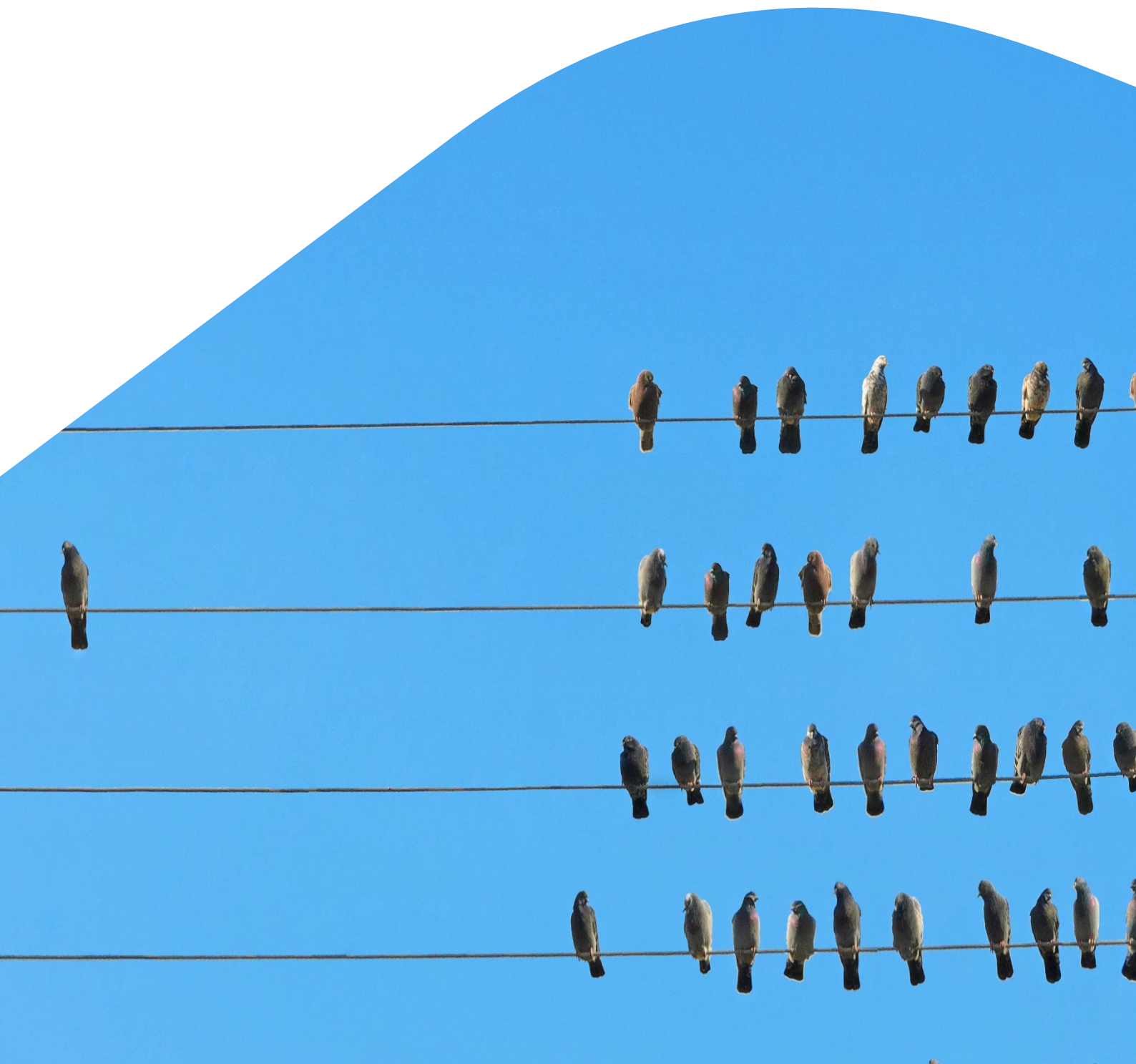


Report on 2025 Corporate reporting enforcement and regulatory activities



Purpose of Report

This report provides an overview of the activities related to the supervision and enforcement of corporate reporting carried out from **1 January 2025 to 31 December 2025** by the national enforcers (hereafter, enforcers) in the European Economic Area (EEA), and by ESMA. The report provides:

1

Key messages to improve future financial and sustainability reports by assessing how issuers comply with International Financial Reporting Standards (IFRS), European Sustainability Reporting Standards (ESRS) and digital reporting obligations.

2

An overview of the activities carried out by ESMA and enforcers in three areas of corporate reporting to promote transparency and accountability to the market.

Who is this report for?

The main addressees of the report are issuers, auditors and other corporate reporting professionals.

What areas does this report cover?

The report is structured and colour-coded around three areas of enforcement activities: financial reporting (**blue**), sustainability reporting (**green**), and digital reporting (**purple**).

What should be kept in mind?

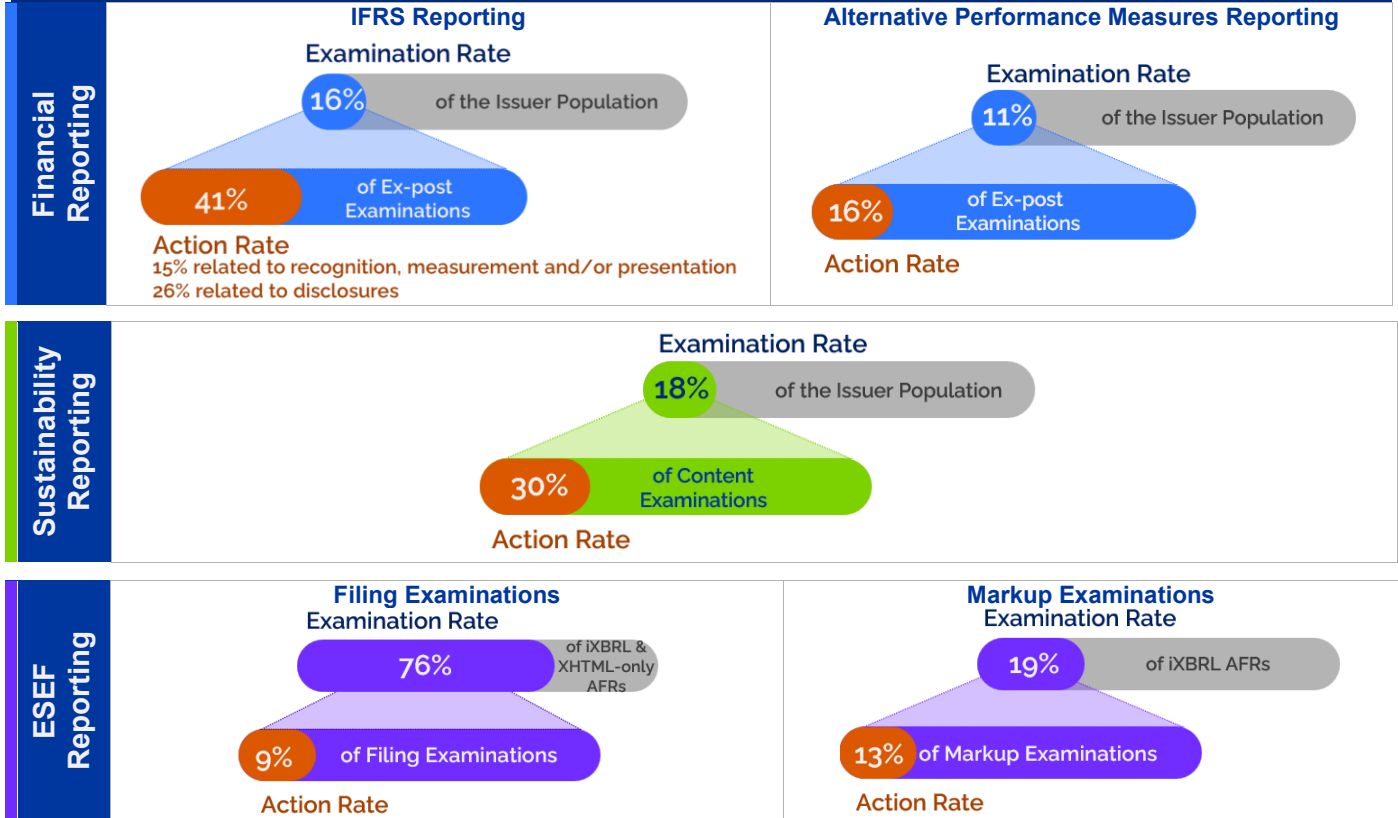
The scope of enforcement and regulatory activities reported here relates to issuers whose securities are admitted to trading on regulated markets. As such, the report does not cover all enforcement and regulatory activities undertaken by enforcers.

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2025 in review

Main annual enforcement statistics

Each year, ESMA collects data on the number of examinations performed and the number of actions taken by enforcers. "Action rate" relates to a sample of issuers selected using an approach, which, amongst others, considers the risk of misstatement. As such, action rates are not representative of the total population of issuers.



Assessment of compliance with the 2024 European Common Enforcement Priorities Statement (ECEP)

Financial / ESEF	Liquidity considerations <i>While some areas of improvement emerge, issuers generally provided sufficiently transparent, decision-useful information on liquidity-related risks and arrangements.</i>	Accounting policies, judgements and significant estimates <i>While most issuers provided tailored and decision-useful disclosures on accounting policies, judgements and significant estimates, a meaningful minority still failed to align disclosures with identified risks, underscoring the continued need for more entity-specific, transparent reporting.</i>	ESEF: Common errors in the Statement of Financial Position <i>Most issuers demonstrated clear progress, with the majority effectively implementing the expectations set out in the 2024 ECEP. While remaining issues were limited to a small number of fringe cases, they indicate that there is still room for improvement.</i>
	Sustainability	ESRS Materiality Considerations <i>First disclosures under European Sustainability Reporting Standards (ESRS) on the materiality assessment process and description of the material impacts, risks and opportunities were found satisfactory for a majority of issuers, but with several areas for improvement.</i>	Scope and structure of the sustainability statement <i>The requirements regarding scope and structure of the sustainability statement were generally complied with. Issuers relied on the flexibility to make use of incorporation by reference but did not always respect the prescribed conditions, and direct connections with financial disclosures were often missing.</i>



Overview of Corporate Reporting Enforcement & Supervisory Convergence in the European Economic Area (EEA)

This chapter showcases some key aspects of corporate reporting enforcement and supervisory convergence activities in the EEA. Two infographics visually summarise key concepts related to how financial, sustainability and ESEF reporting is enforced in the EEA, as well as how supervisory convergence work is organised under the auspices of ESMA's Issuers Standing Committee (ISC)'s working groups and project teams. A more detailed account of the former is available on the [ESMA website](#).

Overarching Principles of Enforcement

The following infographic visualises, at a high-level, the principles underpinning supervision and enforcement of financial, sustainability and ESEF reporting of issuers whose securities are admitted to trading on regulated markets in the EEA (issuers).



For a more comprehensive overview of the corporate reporting enforcement process in the EEA, refer to [ESMA's website](#).

Coordination of Enforcement

Enforcement and other supervisory activities are coordinated at the EEA level through the interactions of enforcers in ESMA's designated Working Groups and Project Team, which operate under the auspices of ESMA's Issuers Standing Committee.

FINANCIAL REPORTING	SUSTAINABILITY REPORTING	ESEF REPORTING
<p>Financial Reporting Working Group EECS* (FRWG (EECS))</p> <ul style="list-style-type: none"> • Forum of 36 EEA enforcers • Coordinates the supervisory convergence of ~3,800 listed issuers preparing IFRS financial statements <p><small>(*EECS – European Enforcers Coordination Session)</small></p>	<p>Sustainability Reporting Working Group (SRWG)</p> <ul style="list-style-type: none"> • Forum of 30 EEA enforcers • Coordinates the supervisory convergence of ~2,000 listed issuers preparing sustainability statements 	<p>ESEF Project Team (ESEF PT)</p> <ul style="list-style-type: none"> • Forum of 23 EEA enforcers • Coordinates the supervisory convergence related to the application of the RTS on ESEF

Reporting to the
ESMA
ISSUERS STANDING COMMITTEE,
the groups are responsible for:

Exchanging views on methods for enforcement of financial, sustainability and ESEF reporting of issuers whose securities are already admitted to trading on an EEA regulated market

Suggesting common supervisory or enforcement priorities at European level and communicating such areas to the market

Publishing reports and sharing best practices and good examples of disclosure

Drafting guidelines, supervisory briefings, ESEF Reporting Manual and Questions & Answers (Q&As)

Analysing and discussing emerging issues and enforcement decisions taken by enforcers

Closely following the market and standard-setting developments in the areas of financial, sustainability and ESEF reporting





Enforcement of Financial Reporting

This chapter describes the main activities conducted by enforcers and by ESMA during 2025 regarding financial reporting. The focus of ESMA's enforcement activity in this area is on the requirements of the Transparency Directive¹ in relation to the application of the IAS Regulation² and, as such, on issues related to the application of International Financial Reporting Standards (IFRS) in the EU. In addition, this section presents the enforcement activities regarding alternative performance measures (APMs), which are disclosed outside IFRS financial statements but in documents within the scope of regulated information, such as management reports disclosed in accordance with the Transparency Directive³.

Finally, this chapter reports on the enforcers' examinations of a sample of issuers with respect to assessing compliance with the financial reporting priorities set out in the 2024 ECEP.

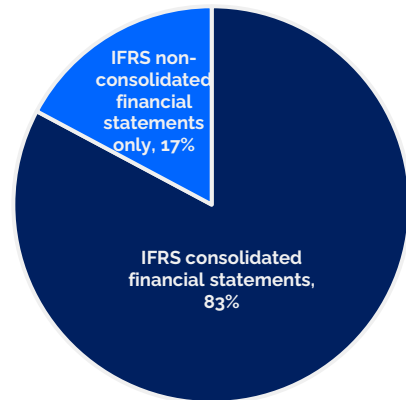
¹ Directive 2004/109/EC

² Regulation (EC) No 1606/2002

³ Note that APMs included in ad-hoc disclosures made to the market under Article 17 of the Market Abuse Regulation (MAR, Regulation (EC) No 596/2014) or in a prospectus are also subject to the ESMA Guidelines on APMs.

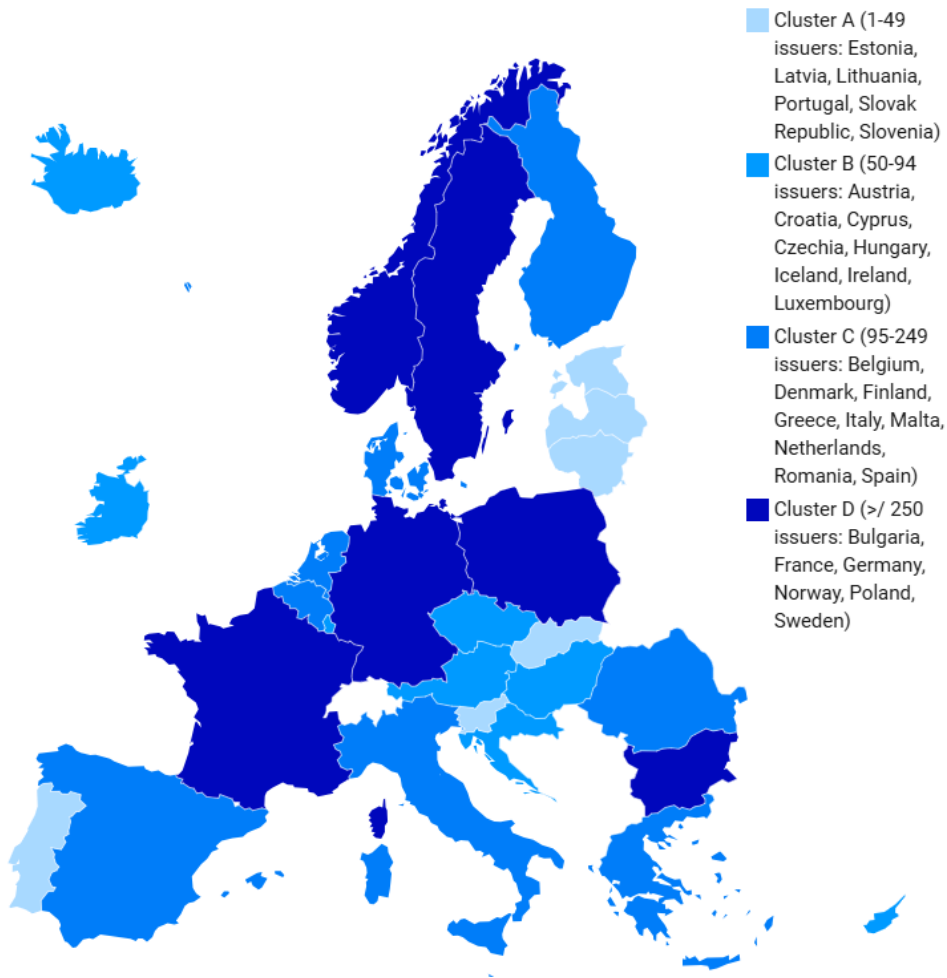
Number of issuers under enforcement

At the end of 2025, **approximately 3,800 issuers** preparing IFRS financial statements were admitted to trading on regulated markets within the EU, of which around 3,150 prepared IFRS consolidated financial statements and around 650 prepared IFRS non-consolidated financial statements⁴. These numbers decreased slightly compared to 2024. For country-by-country information on the number of issuers, please refer to [Annex I](#).



Geographical clusters of number of issuers

The following map chart categorises the EEA countries into clusters, depending on how many issuers prepare IFRS financial statements (see [Annex I](#) for more detail).



⁴ Additionally, 26 issuers prepared consolidated financial statements under third country GAAP deemed equivalent to IFRS.

1.1 Main indicators of national enforcement activity

1.1.1 IFRS Reporting

To monitor enforcement activity, ESMA collects data on the number of examinations performed and the number of actions taken by enforcers⁵. The examination and action rates presented in this section are based on the number of issuers which prepared IFRS financial statements at the end of 2024.

Examinations

In 2025, the financial statements of 628 issuers, corresponding to 16% of all issuers preparing financial statements under IFRS in the EEA, were subject to examination by enforcers (17% in 2024). Of these, 582 IFRS issuers were subject to ex-post examinations (660 in 2024). Furthermore, enforcers performed follow-ups of examinations completed in previous years on 157 issuers. Such follow-ups are not included in the statistics that follow.

The overall number of examinations in 2025 declined primarily due to the decrease in the number of issuers following de-listings and because enforcers carried out fewer desktop examinations. This development indicates a shift in supervisory focus toward interactive examinations, which are more resource-intensive and thus constrain total case throughput. ESMA also notes that 2025 was the first year of the implementation of ESRS bringing an extra layer of complexity when compared to NFRD. Consequently, most financial information enforcers also engaged into examinations related to sustainability reporting.

The table below aggregates information on the number of issuers whose financial information was examined by enforcers over 2025. Notably, 65% of examinations performed were unlimited scope examinations of the financial statements of IFRS issuers, while 35% of examinations were focused examinations.



Number of issuers examined				Unlimited scope		Focused	
				Desktop	Interactive	Desktop	Interactive
628 (2024: 685) issuers preparing IFRS financial statements subject to examination	585 refer to financial statements in Financial Reports	582 Ex-post Exams	Annual	57	311	80	105
		Interim ⁶	3	8	2	16	
	3 Ex-ante Exams	Pre-clearance					3
	43 Refer to financial statements in Prospectuses ⁷		2	31	7	3	
Total 2025				62	350	89	127
Ex-post examinations of financial statements prepared using third country GAAP deemed equivalent to IFRS				2	2	-	-

⁵ Each enforcer's selection of issuers for examination is based on a mixed model whereby a risk-based approach is combined with random sampling and rotation. For more details, see [ESMA's website](#).

⁶ Where both the interim and annual financial statements of an issuer were examined, only the latter examination is counted.

⁷ Please note that only examinations of financial statements in prospectuses relate to successful initial public offerings (IPOs) and first admissions to trading carried out in accordance with Guidelines 4 and 6 of ESMA's GLEFI are counted in these statistics (examinations of prospectuses that do not effectively lead to a listing are not counted). Reviews of financial statements contained in prospectuses as part of their procedures to approve prospectuses which are not carried out following the GLEFI are not considered for the purpose of this report.

Actions

Altogether, enforcers took actions in 41% of the ex-post examinations performed during 2025 (38% in 2024). The action rate⁸ in relation to recognition, measurement and/or presentation issues is 15% (13% in 2024), while the action rate in relation to disclosures represents 26% (25% in 2024). In this respect, it is important to emphasise that although the number of actions decreased in absolute terms, the action rate for 2025 increased due to the sharp decrease of the overall number of examinations (mostly desktop examinations⁹).



41%
Action rate

ESMA emphasises that the **concept of materiality** is pervasive to the financial statements as a whole and that omitting, obscuring, or misstating material information in the notes could reasonably be expected to influence decisions that primary users of the financial statements make based on those financial statements.

The table below illustrates the overall distribution of the actions taken by enforcers during 2025 across the type of action, the type of financial statements (i.e., annual or interim) and the type of issue (i.e., disclosures) to which they related. Around 36% of all actions taken during 2025 related to issues regarding recognition, measurement and/or presentation, while 64% of all actions related only to disclosure issues. Similar to 2024, in around 11% of the actions taken, enforcers required issuers to make immediate disclosure to the market by reissuing the financial statements or publishing a corrective note. For the remaining 89% of the actions taken, enforcers considered that a correction in the future financial statements was sufficient. Please note that one enforcement action can relate to multiple areas of non-compliance.

Actions taken		IFRS Financial Statements	Reissuance of financial statements	Public corrective note	Correction in future financial statements	
240 (2024: 253) total actions	87 recognition, measurement and/or presentation	Annual	-	16	65	
		Interim	1	2	3	
	153 disclosure ¹⁰	Annual	1	6	143	
		Interim	1	-	2	
	Total 2025		240	3	24	213

Areas addressed with enforcement actions in 2025

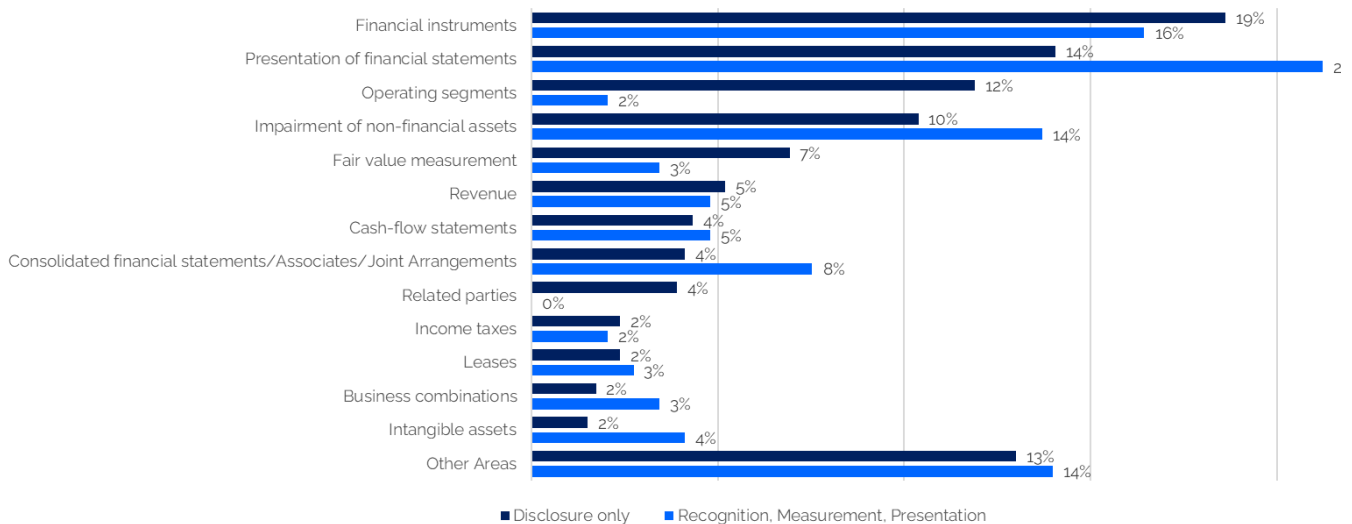
The following figure presents the areas in which enforcers took actions in 2025 (presentation, recognition, measurement, and disclosures). Similar to 2024, most actions were taken in four areas, namely financial instruments, impairment testing of non-financial assets, presentation of financial statements and operating

⁸ The action rate included in the report represents the number of issuers for which actions were taken divided by the number of issuers subject to ex-post examinations.

⁹ See above.

¹⁰ Actions defined as “Relating to disclosure only” do not include actions which in addition to disclosures also related to measurement, recognition or presentation (such actions are included in actions “Relating to recognition, measurement and/or presentation”).

segments¹¹. The following box also outlines some key messages that arise from the main areas where enforcers took actions as well as good practices that issuers may consider in their future financial statements.



2025 ESMA and enforcer key messages

- Presentation of financial statements (IAS 1 and IAS 8):** Enforcers took actions to address (among other things):
 - inappropriate disaggregation of line items and separate presentation of certain items included in the primary financial statements (e.g. when the line items labelled as 'others' included material balances of different natures and changes);
 - clarifications in accounting principles and/ or policies applied by issuers on certain topics (e.g. revenue recognition);
 - the disclosure of vague or boilerplate going concern assumptions involving multidimensional assessments (including, but not limited to, future cash flows, budgets, projections, liabilities repayment timetable, alternative finance sources, possible unforeseen events and decisions of third parties; and
 - the use of labels that were ambiguous, not clearly indicating the substance of the line item.

Enforcers also took actions to ensure that the recycling of foreign currency adjustments were correctly presented within comprehensive income and identified instances in which transactions with shareholders acting in their capacity as shareholders (such as the forgiveness of interest payments) were not shown separately in the statement of changes in equity.

Finally, given that IAS 1 will be replaced by IFRS 18 *Presentation and Disclosure in Financial Statements* (mandatory from 1 January 2027), ESMA calls on issuers to ensure a high-quality implementation of the new standard. To this effect, ESMA has published a statement to raise awareness and assist issuers in this process¹².
- Financial instruments:** Enforcers have also taken actions to ensure that (i) contractual amounts disclosed in the maturity analysis are the contractual undiscounted cash flows, and (ii) a breakdown of the gross amount of receivables by age is provided, together with the corresponding impairment. Issuers are reminded of the need to disclose the fair value of all financial instruments, their fair value categorisation (level 1, 2 or 3) and, particularly for level 3 instruments, (i) the valuation techniques; (ii) the input data used and (iii) sensitivity analysis related to variations in unobservable inputs.
- Impairment tests:** Enforcers identified instances where (i) impairment testing had not been performed for intangible assets that were not yet available for use, (ii) mathematical or methodological errors had been made in impairment tests, (iii) not all the key assumptions (financial such as weighted average cost of capital and operational) used to determine

¹¹ With respect to the "Other" areas addressed with enforcement actions in 2025, the issues identified related, among other things, to exploration and evaluation activities, inventory and measurement practices, interim reporting, earnings per share, provisions and contingent liabilities, investment property, biological assets, government grants, foreign currency effects and event-driven corrections or disclosures (for instance, IPO-related adjustments).

¹² ESMA Public Statement: [Reshaping performance: Implementation of IFRS 18](#), 17 February 2026.

recoverable amounts of cash-generating units (CGU) containing goodwill or intangible assets with indefinite useful lives were disclosed, or the reasonable possible changes in key assumptions that would cause the CGU's carrying amounts to exceed its recoverable amount were not provided. Moreover, in some cases enforcers questioned the definition of CGU, the level at which goodwill was tested for impairment, as well as the allocation of goodwill to multiple CGUs (or group of CGUs). Enforcers recommend that issuers take the aspects above into due consideration and highlight the importance of using current and reliable, management-approved forecasts for impairment testing, ensure, where relevant, the consistency of key assumptions with external market evidence and explain how entity-specific and execution risks are reflected in cash flows or discount rates.

- Operating segments:** Enforcers stressed the need to disclose material items of income or expense included in the measure of segment profit or loss reviewed by the Chief Operating Decision Maker (CODM, even if they are not separately provided to, or reviewed by, the CODM) - for example, employee costs or research and development costs, with materiality assessed in the context of the financial statements taken as a whole. In several instances, actions related to incomplete disclosures of revenue and certain non-current assets for the country of domicile and for individually significant foreign countries. Issuers were requested to specify whether the operating segments presented were subject to aggregation and, if so, to indicate the aggregation criteria used, in particular similar economic characteristics. In addition, actions were taken in relation to disaggregation of revenue.

1.1.2 APM Reporting

Examinations

During 2025, enforcers performed 434 ex-post examinations of management reports to evaluate the presentation and disclosure of APMs. Around 77% of the examinations covered all principles of the Guidelines on APMs.

The overall ex-post examination rate was 11% (12% in 2024), and the overall action rate was at 16% (14% in 2024).



				Number of issuers examined	
				Desktop	Interactive
472 (2024: 513) number of examinations performed following Guidelines 4 and 6 of the GLEFI	371 Exams of all principles of the Guidelines	334 Ex-post Exams	Annual	139	178
			Interim	14	3
		37 Ex-ante Exams	APMs in Prospectuses	11	26
	101 Exams of selected principles of the Guidelines	100 Ex-post Exams	Annual	42	48
			Interim	8	2
			1 Ex-ante Exams	APMs in Prospectuses	-
Total 2025				214	258

Actions

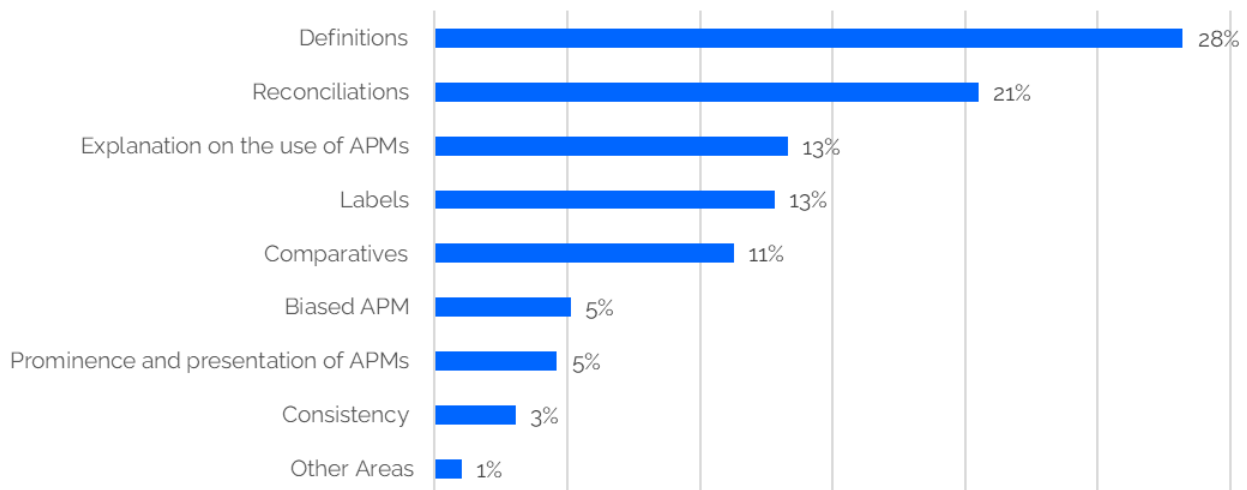
Providing further detail regarding the actions taken on the management reports of listed IFRS issuers in 2025, the following table shows whether actions related to the annual or the interim management report and which type of action was taken. As in 2024, actions consisted of enforcers requiring a correction in a future management report. Other measures relate mainly to enforcement of financial information contained in prospectuses. Please note that a single enforcement action may relate to multiple areas of non-compliance.



Actions taken		Reissuance of the management report	Public corrective note	Correction in future management report	Other Measures
69 (2024: 71) total actions	67	-	-	67	3
	2	-	-	2	-
	69	-	-	69	3

Areas addressed with enforcement actions in 2025

The following figure presents the topics on which enforcement actions related to compliance with ESMA's Guidelines on APMs were taken. The figure shows that, similarly to last year, the areas in which most infringements were identified were definitions, reconciliations and explanations, followed by labels.



2025 ESMA and enforcer key messages

- ESMA notes that the **introduction of the IFRS 18** requires issuers to include inside financial statements certain measures¹³ that, up to now, were only disclosed outside financial statements (e.g. in management reports, earnings results or prospectuses). ESMA notes that its Guidelines on APMs **are still fit** for purpose and thus issuers should continue to apply them when presenting APMs outside financial statements. To assist issuers in the implementation of IFRS 18, ESMA has issued a Q&A addressing the interaction of the Guidelines on APMs and Management Performance Measures (MPM) requirements¹⁴ and published targeted amendments to the previous existing Q&As¹⁵. ESMA calls on issuers to reassess the use of APMs, specifically when these measures appear to depict only small variations of the same aspect of a performance (e.g., various EBITDA measures).
- ESMA highlights that while the **quantitative disclosures** required by the Guidelines on APMs (e.g. reconciliations, comparatives) are key to ensure consistency and to understand the connections between information disclosed in and outside financial statements, qualitative information (e.g. labels, prominence, explanations, definitions) should not be overlooked. Issuers should ensure that the disclosures provided to investors assist them in making informed decisions on the basis of such measures. ESMA and enforcers urge issuers to ensure that **qualitative disclosures** related to APMs are informative, reliable and reflect the content of the measures used.

¹³ That meet the definition of Management Performance Measures pursuant to IFRS 18.

¹⁴ [ESMA Q&A 2775](#).

¹⁵ ESMA Q&As [1868](#), [1874](#), [1875](#) and [1877](#).

- ESMA notes that a key element to correctly apply the Guidelines on APMs, as well as the forthcoming IFRS 18 standard is to identify all measures that fall within [the definition of an APM](#) and MPM. Issuers should, together with their auditors and communication departments, put in place procedures to ensure the identification of all measures used to explain their performance (in relation to the statement of profit or loss, cash-flows or financial position). In this respect, ESMA notes that, as mentioned in Guidelines and Q&As¹⁶, measures used for purpose of compliance with covenants still fall within the scope of the Guidelines on APMs when they are also used to explain performance of an issuer. When complying with the APM principles related to [definitions](#), issuers should disaggregate all items that comprise a given APM.
- ESMA urges issuers to provide the required **reconciliations** for all APMs disclosed. When preparing reconciliations, issuers should identify the most directly reconcilable line item, subtotal, or total presented in the financial statements. ESMA reminds issuers to ensure that the link between APMs and the financial statements is clearly provided.
- While ESMA and enforcers observed improvements in the [explanations on the use of APMs](#) compared to the previous year, ESMA calls on issuers to continue to improve APM disclosures on the use of APMs. In this context, when several measures are used to depict similar aspects of performance (e.g., several variations of EBITDA), issuers should provide clear disclosures to enable users to understand the differences between them as well as relevance and the reliability of each measure used.
- Issuers should use [labels](#) that reflect the content of the APMs used. Issuers should note that, in most cases, measures labelled as EBITDA or adjusted EBITDA will meet the definition of an MPM. In those cases, issuers should comply with the principles included in the Guidelines on APMs and the requirements of IFRS 18 (when effective).

¹⁶ Paragraph 19 and ESMA Q&A [1880](#).

1.2 Assessment of compliance with ESMA’s 2024 ECEP

Establishing European Common Enforcement Priorities (ECEP) is one of the important ways of fostering supervisory convergence across the EEA. Annual ECEP have been published since 2012 and are essential to prevent misstatements and to enhance the quality and consistency of corporate reporting across the EEA. ESMA published the priorities to be considered in the preparation of 2024 annual financial statements in October 2024 (hereafter referred to as the 2024 ECEP)¹⁷:

2024 ECEP (Financial reporting)	
Liquidity considerations	Accounting policies, judgements and significant estimates
Clear disclosure of liquidity risks, covenants and supply-finance arrangements.	Transparent, entity-specific disclosure of key accounting policies, judgements and estimates.



To analyse how the 2024 ECEP were applied, enforcers examined the annual financial statements of a sample of **184 issuers from 29 EEA countries**. Issuers in the sample represent a subset of all issuers selected based on risk, rotation or random sampling, and, therefore, the findings in the sections below should not be extrapolated to the wider population of issuers in the EEA. All findings in the following sections refer to the sub-sample of issuers for whom a given topic was material¹⁸.

Enforcement actions related to the 2024 ECEP



Overall, enforcers took **enforcement actions for 16 issuers**, based on the examination of the 184 issuers in the sample. These actions mainly consisted of requiring the issuer to correct the relevant matter in future financial statements. The sample action rate was 9% (2024: 16%).



In addition to those actions undertaken in 2025, 34 ECEP examinations of 2024 IFRS annual financial statements were still ongoing as of the publication date of this report. Considering this, certain potential compliance deficiencies observed during this ECEP assessment may be subject to potential additional enforcement action.

The following sub-sections present a summary of the key findings and recommendations derived from the 2024 ECEP assessment, per priority. The full assessment of the sample examined can be found under [Annex I, section 4.1.6](#).

¹⁷ [ESMA32-193237008-8369](#) Public Statement – *European common enforcement priorities for 2024 annual financial reports*, 24 October 2024.

¹⁸ When selecting issuers for examination for the purpose of the 2024 ECEP assessment, enforcers took into account if at least one of the 2024 ECEP financial reporting priority topics was material in the issuer’s financial statements.

1.2.1 Liquidity Considerations

Key Finding: While some areas of improvement emerge, issuers generally provided sufficiently transparent, decision-useful information on liquidity-related risks and arrangements

- Generally, issuers provided sufficiently detailed information on **supplier finance arrangements (SFAs)**, covering terms, carrying amounts, settlement information and liquidity-risk impacts. This enabled users to assess the economic effects of extended or early payment terms, though a smaller sub-set of issuers still fell short of IAS 7's more granular disclosure requirements. A small number of issuers could not provide information on financial liabilities for which suppliers have already received payment from finance providers because this information was not available to issuers.
- Most issuers met new disclosure requirements related to **non-current liabilities with covenants** and supplied sufficient information outlining covenant types, testing mechanisms and affected liabilities, as well as demonstrating covenant compliance or explaining past waivers/ renegotiations. At the same time, quite a few issuers still failed to provide enough detail or transparency around compliance conditions, classification risks, breaches or misclassified liabilities, as well as the impact of covenants on debt classification and going concern.
- Issuers' **Statements of Cash Flow** (whether drawn under the direct or indirect method) were generally compliant. Yet recurring weaknesses persisted, including misclassification between operating and investing/financing cash flows, inappropriate net rather than gross presentation, incomplete disclosure of non-cash transactions and insufficient accounting-policy explanations on cash-flow classification.

[> Section 4.1.6.1](#)

Jump to the full assessment of this priority

1.2.2 Accounting policies, judgements and significant estimates

Key Finding: While most issuers provided tailored and decision-useful disclosures on accounting policies, judgements and significant estimates, a meaningful minority still failed to align disclosures with identified risks, underscoring the continued need for more entity-specific, transparent reporting in this space

- Most issuers provided entity-specific accounting policy, judgement and estimate disclosures, but a minority relied on boilerplate wording, omitting key assumptions or showing inconsistencies with risk disclosures and auditors' key audit matters. This highlights the need for more tailored and transparent information. For a small number of issuers inconsistencies between auditors' key audit matters and issuers' explanations were identified. In addition, enforcers highlighted instances of a clear disconnect between disclosures of significant judgements and estimation uncertainty, and major risks disclosed in other areas of the financial statements and the annual financial report.
- Most issuers clearly explained the significant judgements underpinning **assessments of control or significant influence** over investees, with only a small minority offering only high-level conclusions without articulating the underlying reasoning, despite indicators (structured entities or de facto control) calling for disclosure.
- Across issuers, disclosures on **revenue related judgements** were mixed: while many adequately explained key assessments for long term contracts (contract existence, alternative use, enforceable rights to payment), variable consideration (estimation methods and application of the constraint) and measurement of progress over time, a notable subset failed to articulate the underlying methods, assumptions or rationale, leaving judgement heavy areas insufficiently explained.

[> Section 4.1.6.2](#)

Jump to the full assessment of this priority

1.3 Other activities in financial reporting

This section summarises the main activities and output of the FRWG (EECS) and its substructures during 2025.

FRWG (EECS) and substructures

FRWG (EECS) provides technical input on the issuance of ESMA statements and opinions on accounting matters which deserve specific focus. It also reviews accounting practices applied by European issuers to enable ESMA to monitor market developments and changes in those practices.

The coordination within the FRWG (EECS) enables ESMA and enforcers to identify areas in which there appears to be a lack of guidance or divergent application of IFRS. Such areas are subsequently referred to the International Accounting Standards Board (IASB) or the IFRS Interpretations Committee (IFRS IC), as appropriate. Given the specificities and complexity inherent to certain topics, the FRWG (EECS) has set up under its auspices project teams and taskforces composed of IFRS experts (i) on following IFRS development and endorsement in the EU, (ii) on financial institutions and insurance companies' experts, and (iii) on climate in financial information.

Case Discussions

Enforcers discuss and share experiences with the application and enforcement of IFRS in regular meetings, ad-hoc conference calls or through written procedures. The enforcement cases discussed fulfil the submission criteria set out in GLEFI, either before or after decisions are taken.

Case discussions enable enforcers to learn about the experience of other enforcers who have already encountered similar issues and to gather useful input for the analysis of technical issues. Enforcers should take account of the outcome of discussions in the FRWG (EECS) when taking enforcement decisions, promoting a consistent enforcement in the application of IFRS in the EEA. In addition, ESMA gains valuable insights on the application of IFRS in Europe and on the main topics which pose challenges to issuers.

The decrease in the number of cases discussed is related to resources allocation given that ESRS were first implemented in 2025 (often teams in charge of ESRS supervision are also in charge of supervision of financial reporting), and the maturity of the IFRS Accounting Standards. Therefore, some of the issues which would normally prompt a discussion in FRWG were already identified in previous years.

7	FRWG (EECS) Regular Meetings
21	Emerging issues discussed (41 in 2024)
40	Decisions submitted [12 discussed] (58/14 in 2024)

Spotlight: Examples of Topics Discussed at the FRWG (EECS)

These examples are neither intended to represent all types of issues discussed nor all areas where the application of IFRS was challenged by enforcers. The examples serve to illustrate some of the issues discussed during the year.

IAS 7 Statement of Cash Flows

Enforcers delved into the interplay between paragraph 11 of IAS 7, which requires presentation of cash flows from operating, investing and financing activities in a manner which is most appropriate to an entity's business, and specific classification requirements set forth in the standard.

IFRS 8 Operating Segments

Enforcers discussed the application of paragraph 33 of IFRS 8, focusing on circumstances under which the disclosure of revenues from external customers attributable to the entity's country of domicile or specific foreign countries may be considered qualitatively material. For instance, in certain situations, disclosing that revenue attributed to the country of domicile constitutes only a minor portion of total revenues can be considered material from a qualitative perspective. Such information may offer valuable insights to investors regarding the issuer's degree of exposure to foreign markets.

IAS 1 Presentation of Financial Statements

Enforcers discussed situations where additional disclosure to explain the lack of effect of certain climate-related issues on financial position and financial performance of an issuer for the current reporting period would provide material information in the context of its financial statements taken as a whole. In this regard, enforcers agreed, in particular, that examples published by the IASB in November 2025¹⁹ need to be considered by issuers to ensure connectivity, consistency and coherence between financial statements and information disclosed elsewhere in the annual report.

Moreover, enforcers discussed what level of details of disclosures about covenants required under paragraph 76ZA of IAS 1 (particularly concerning the nature of covenants) is necessary to enable users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period.

IAS 16 Property, Plant and Equipment

The discussions focused on the methods lessors use to determine the residual value of leased assets when calculating depreciation, in accordance with the requirements outlined in paragraph 43 of IAS 16²⁰.

IAS 23 Borrowing Costs

The enforcers discussed the determination of borrowing costs eligible for capitalisation including evaluating whether general borrowing is used to obtain a qualifying asset.

Interaction of IFRS 18 Presentation and Disclosure in Financial Statements and ESMA Guidelines on APMs

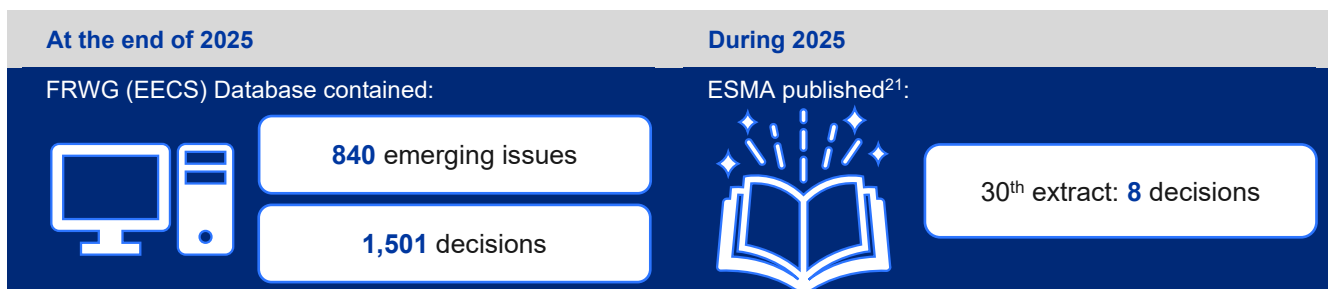
The enforcers discussed the interaction between the requirements included in the Guidelines on APMs and in IFRS 18 regarding MPMS. Enforcers agreed on the approach to take when supervising information provided by issuers when complying with both sets of requirements having in mind simplification and burden reduction considerations (i.e. making use of the compliance or incorporation by reference to avoid the repetition or duplication of information).

In addition, the FRWG (EECS) discussed how large language models can be used for analysing financial statements in ESEF format.

Database & Extracts of Decisions

ESMA manages an internal database to which enforcers submit, as per GLEFI, emerging issues and decisions taken within their national enforcement process. The database is an important source of information for enforcers when they make enforcement decisions.

ESMA regularly publishes enforcement decisions extracted from the FRWG (EECS) Database, to help market participants understand which accounting treatments enforcers consider to be (non) compliant with IFRS and the ESMA Guidelines on APMs on specific cases.



Publications

2025 ECEP Statement²²

ECEP related to IFRS financial statements, released ahead of the preparation, audit and publication of 2025 annual financial reports.

¹⁹ IASB, Disclosures about Uncertainties in the Financial Statements (Amendments to Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37), November 2025

²⁰ [ESMA32-1016739655-1385](#) Agenda Item Request: *Determination of residual value (IAS 16)*, 13 April 2026.

²¹ [ESMA32-193237008-9182](#) 30th Extract from the EECS's Database of Enforcement, 27 June 2025.

²² [ESMA32-2064178921-9254](#) Statement – *European common enforcement priorities for 2025 annual financial reports*, 14 October 2025.

Contribution to the European endorsement process

ESMA addressed the enforceability of IFRS and shared the experience of enforcers on the application of IFRS in Europe:

- in EFRAG's Financial Reporting Board and in its Financial Reporting Technical Expert Group (TEG).
- In EFRAG's Connectivity Advisory Panel, as part of a proactive research project on the connectivity between financial reporting and sustainability reporting information.

ESMA also continued to contribute actively to the European endorsement process by participating as an official observer in the Accounting Regulatory Committee.

Cooperation with the IASB

FRWG (EECS) met twice with some members of the IASB's technical staff and some IASB members, in their personal capacity, to discuss complex issues identified by enforcers and for which there is no specific IFRS guidance or where widely diverging application appeared to exist. Whenever relevant, these discussions were taken into consideration by enforcers when conducting their enforcement activities.

Moreover, ESMA contributed to the IFRS IC work by submitting a comment letter to a committee's tentative agenda decision and by attending IFRS IC meetings in its capacity as adviser to the European Commission which is an observer at the Interpretations Committee.

ESMA also participated in the IFRS Advisory Council, which advises the IFRS Foundation, the IASB and the International Sustainability Standards Board (ISSB).

Technical input to EFRAG and the IASB

ESMA published the following letters providing feedback to EFRAG and IASB proposals on:

- IASB's Exposure Draft *Equity Method of Accounting*²³
- IASB's Exposure Draft *Provisions – Targeted Improvements*²⁴
- IASB's Request for Information on the Post Implementation Review of *IFRS 16*²⁵
- IFRS IC Tentative Agenda Decision *IFRS 18 Classification of FX differences*²⁶

International cooperation

As in previous years, ESMA participated in discussions on financial reporting and its supervision and enforcement with various non-EU bodies over the course of 2025. These discussions included dialogue with the Securities Exchange Commission (SEC), the Financial Conduct Authority (FCA), Financial Reporting Council (FRC), UK Endorsement Body (UKEB) and participation in the relevant workstreams of the International Organization of Securities Commissions (IOSCO).

²³ [ESMA32-644431002-525](#) and [ESMA32-644431002-530](#) Letters to IASB and EFRAG on IASB's Exposure Draft *Equity Method of Accounting*, 15 January 2025.

²⁴ [ESMA32-644431002-532](#) and [ESMA32-644431002-533](#) Letters to IASB and EFRAG on IASB's Exposure Draft *Provisions – Targeted Improvements*, 11 March 2025

²⁵ [ESMA32-1255649229-542](#) and [ESMA32-1255649229-543](#) Letters to IASB and EFRAG on IASB's request for information on the post implementation review of *IFRS 16*, 30 September 2025.

²⁶ [ESMA32-1016739655-1370](#) Response to Tentative Agenda Decision: *Classification of a Foreign Exchange Difference from an Intragroup Monetary Liability (or Asset) (IFRS 18)*, 20 November 2025.

Enforcement of Sustainability Reporting

This chapter describes the main activities conducted by enforcers and by ESMA during 2025 regarding sustainability reporting. The focus of ESMA's enforcement activity in this area is on the sustainability information prepared in accordance with Article 19a or Article 29a of the Accounting Directive²⁷, i.e. information drawn up in accordance with the European Sustainability Reporting Standards (ESRS) and with Article 8 of the Taxonomy Regulation²⁸ and pursuant to the Transparency Directive²⁹.

Additionally, this chapter reports on enforcers' examinations of the way in which a selected sample of issuers complied with the sustainability reporting priorities set out in the 2024 ECEP.

²⁷ Directive 2013/34/EU

²⁸ Regulation 2020/852

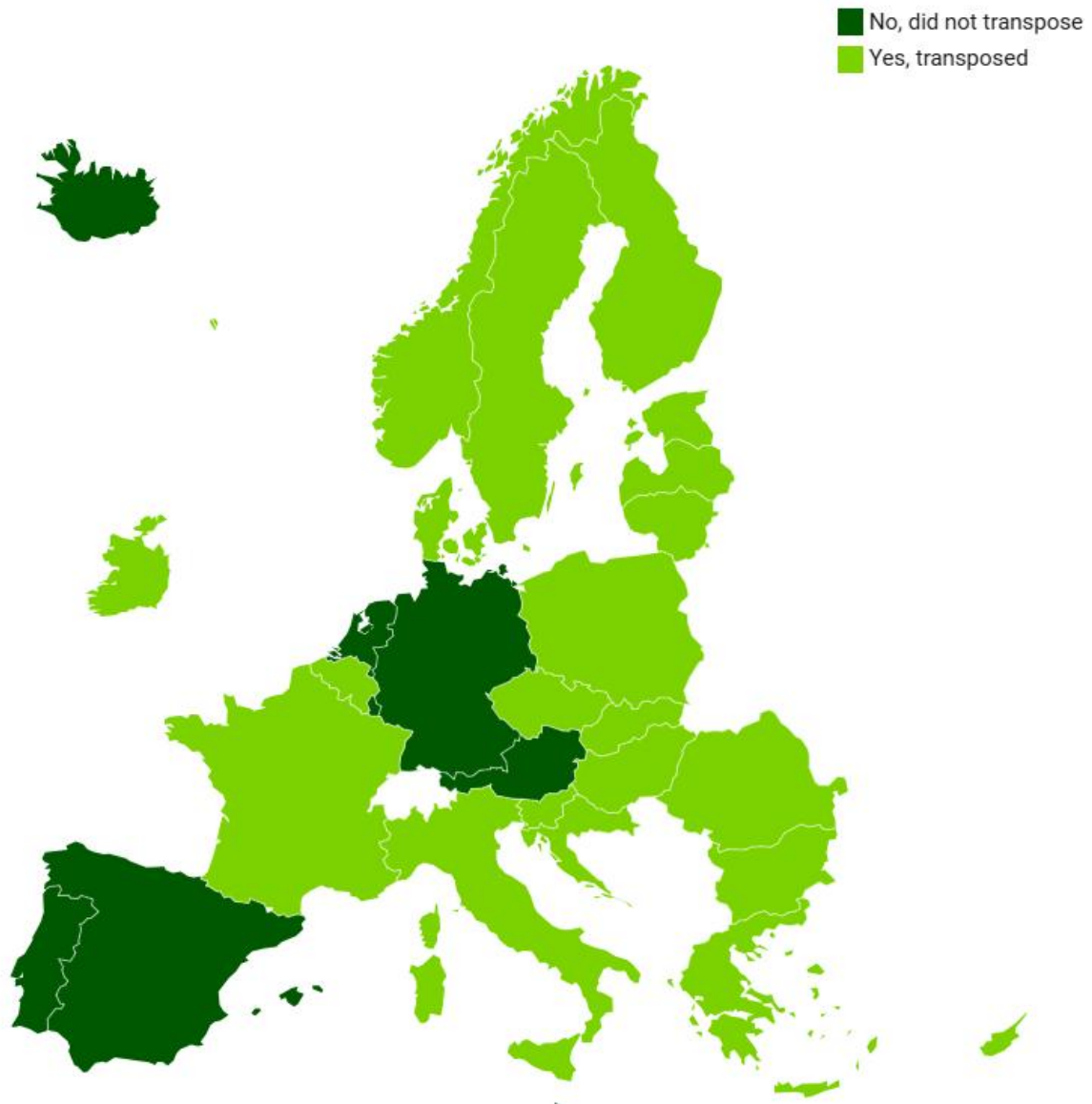
²⁹ Directive 2004/109/EC

Issuers under enforcement

At the end of 2025, approximately **2,000 issuers'** sustainability statements were within the scope of enforcement. For country-by-country information on the number of issuers, refer to [Annex II, section 4.2.1](#).

CSRD transposition status

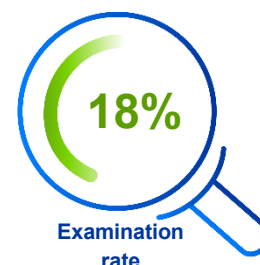
2025 was a year of transition in the area of sustainability reporting as it was the first time certain issuers drew up their sustainability statements according to the ESRS. In some Member States, however, the ESRS were not yet applicable due to the underlying Corporate Sustainability Reporting Directive (CSRD) not having been transposed. Issuers in those Member States were therefore still subject to the requirements of the Non-Financial Reporting Directive (NFRD), though some chose to voluntarily prepare their reporting according to the ESRS. The following map chart illustrates the EEA countries by CSRD transposition status in 2025.



2.1 Main indicators of national enforcement activity

Examinations

During 2025, enforcers undertook 402 examinations (573 in 2024) of sustainability statements. Under NFRD, some of the examinations related to checking only whether the sustainability statement had been prepared (“existence-only” – 9%) while most examinations related to checking whether the information provided in the sustainability statement met the requirements of Articles 19a and 29a of the Accounting Directive (“content” – 91%). The examination rate in 2025 was 18% (“content” examinations only). The table below provides the detailed breakdown of the examinations performed during 2025.



While the 2025 number of examinations was somewhat lower than in 2024, it is actually well aligned with the examination trend in previous years whereas the number of examinations in 2024 was unusually high. Indeed, the examination rate in 2025 was broadly stable compared to previous years.

In addition, it is important to note that 2025 was the first year in which enforcers examined sustainability statements against the ESRS. Due to the more detailed reporting framework, ESRS examinations are more time consuming than NFRD examinations when carried out for the first time.

Of the 263 examinations of sustainability statements prepared in accordance with the CSRD/ESRS, 25% related to statements prepared voluntarily by issuers who were not yet subject to the ESRS because their Member States had not transposed the CSRD. This shows that issuers were beginning their ESRS reporting journey in 2025 even if they were not yet legally obliged to do so. As a consequence, enforcers in those Member States also started shifting their supervisory focus to ESRS reporting. It should be noted that supervision of mandatory and voluntary statements may in some cases not be fully equivalent due to different legal bases, in particular with regard to enforcement actions.

Number of issuers examined		CSRD (Mandatory & Voluntary)		NFRD	
		Desktop	Interactive	Desktop	Interactive
367 (2024: 425) issuers examined	175 Unlimited Examinations	25	87	33	30
	192 Focused Examinations	101	50	7	34
Examinations Total 2025	367	126	137	40	64
<i>Existence-only examinations Total 2025</i>	35	<i>N/A</i>		35	
<i>All examinations Total 2025</i>	402	263		139	

Actions

As detailed in the following table, the 367 CSRD and NFRD content examinations of sustainability statements in 2025 led to enforcement actions towards 109 issuers, causing an action rate of 30%, compared to 28% in the previous year. Most actions required the issuer to make a correction in a future sustainability statement. Please note that one enforcement action can relate to multiple areas of non-compliance. There were no actions stemming from existence-only examinations under the NFRD. The "other measures" relate to enforcers' recommendations to improve sustainability reporting which were not formalised into one of the three types of formal actions envisaged under ESMA's Guidelines on Sustainability Information (GLES³⁰) because they were not related to a *material* infringement.



Actions taken	Reporting regime	Reissuance of sustainability statement	Public corrective note	Correction in future sustainability statement	Other measures
109 (2024: 125) total actions Total 2025	CSRD (Mandatory & Voluntary)	2	3	55	34
	NFRD	-	1	48	3
	109	2	4	103	37

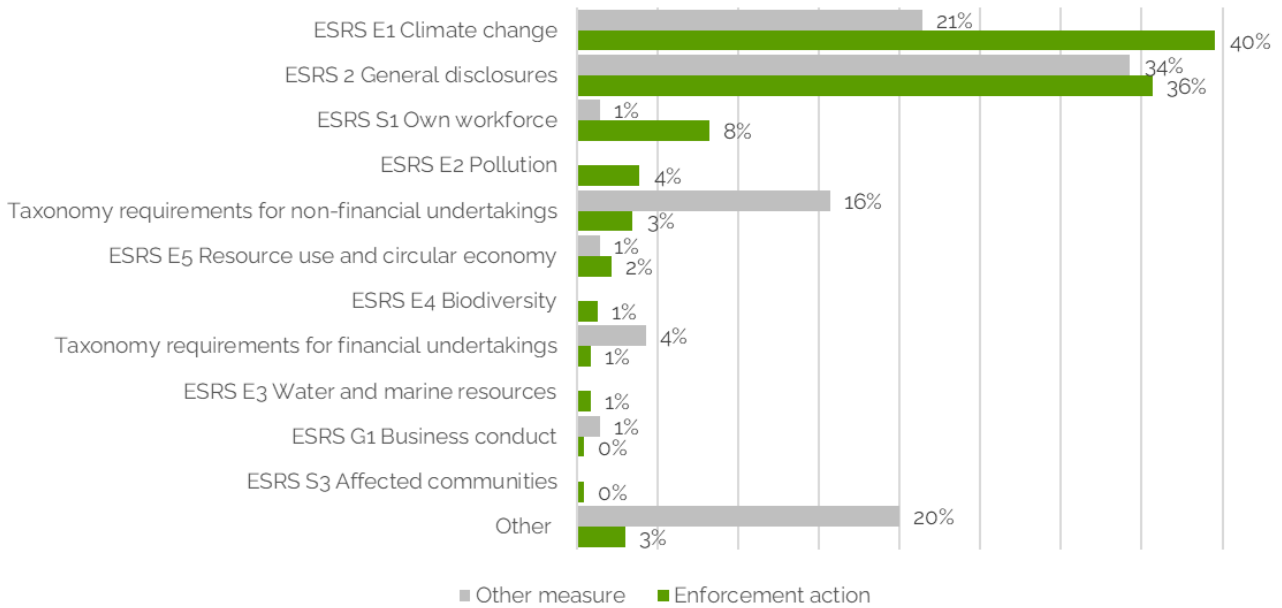
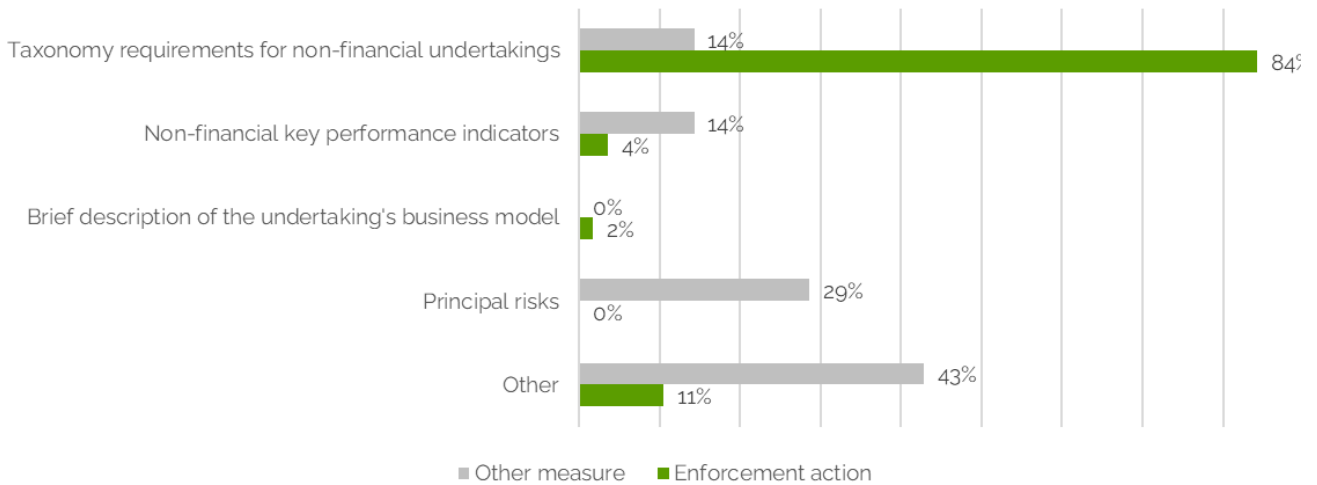
Areas addressed with enforcement actions in 2025

The following figures illustrates the topics on which enforcement actions were taken during 2025, showing the proportion of enforcement actions and of other measures that related to various topics.

Most enforcement actions taken on statements prepared in accordance with the **CSRD/ESRS** related to reporting on climate change under ESRS E1 (40%) and on the general disclosures required by ESRS 2 (36%). The high proportion of actions relating to the topical area of climate change reporting might be due to this area being more mature than other reporting areas and enforcers therefore having slightly higher expectations of issuers.

As for statements prepared under the **NFRD**, a large majority of actions (84%) related to non-financial undertakings' Taxonomy reporting. This focus might be explained by the fact that the Taxonomy reporting regime better specifies the requirements against which compliance should be verified compared to the broader formulation of the NFRD requirements.

³⁰ See [GLES³⁰](#) Guideline 12 *Enforcement actions*.

CSRD

NFRD

2025 ESMA and enforcer key messages

- Enforcers maintained a comparable action rate in 2025 vis-à-vis the previous year, almost exclusively requiring issuers to correct infringements in the future sustainability statement. Collectively, this shows that enforcers continued to focus on improving the quality of sustainability reporting in 2025 and that they did so in a way that acknowledges the learning curve which issuers are on and the changing regulatory environment during the Omnibus period.

2.2 Assessment of compliance with ESMA’s 2024 ECEP

In October 2024, ESMA published the 2024 ECEP³¹. These were to be considered in the preparation of issuers’ 2024 sustainability statements and included recommendations related to:

2024 ECEP (Sustainability reporting)		
Materiality considerations in reporting under ESRS	Scope and structure of the sustainability statement	Disclosures relating to Article 8 of the Taxonomy Regulation
Materiality plays a key role in the ESRS, both in terms of identification of the material impacts, risks and opportunities, and disclosure of related topical information	The ESRS prescribe the scope for reporting sustainability information, as well as the structure of the sustainability statement	While previous recommendations were reiterated, attention was also drawn to the use of the templates and situations where an economic activity is eligible for, or aligned to, multiple environmental objectives



To analyse how the 2024 ECEP were taken into account, enforcers examined the annual sustainability statements of a sample of issuers (ranging from 91 to 117 issuers depending on the priorities) from 27 EEA countries. Issuers in the sample were selected based on risk and not randomly³², and, therefore, the findings in the sections below should not be extrapolated to the wider population of issuers in the EEA. All findings in the following sections refer to the sub-sample of issuers for whom a given topic was relevant.

Enforcement actions related to the 2024 ECEP



Overall, enforcers took **actions for 15 issuers** based on the examination of the issuers in the sample, all in the form of requiring the issuer to correct the relevant matter in future sustainability statements.



In addition to those actions undertaken in 2024, 19 ECEP examinations of 2024 annual sustainability statements were still ongoing as of the publication date of this report. Considering this, certain potential compliance deficiencies observed during this ECEP assessment may be subject to potential additional enforcement action.

The following sub-sections present a summary of the key findings and recommendations derived from the 2024 ECEP assessment, per priority. The full assessment of the sample can be found under [Annex III, section 4.2.2](#).

³¹ [ESMA32-193237008-8369](#) Public Statement – *European common enforcement priorities for 2024 annual financial reports*, 24 October 2024.

³² When selecting issuers for examination for the purpose of the 2024 ECEP assessment, enforcers took into account if at least one of the 2024 ECEP priority topics was material in the issuer’s sustainability statements.

2.2.1 Materiality considerations in reporting under ESRS

Key Finding: In the first year of application of the ESRS, disclosures on the materiality assessment process and description of the material impacts, risks and opportunities (IROs) were found satisfactory for a majority of issuers, but enforcers also identified several areas for improvement.

- Enforcers found that a majority of issuers disclosed satisfactory information on the double materiality assessment process, with generally adequate disclosures on thresholds, input parameters or stakeholder engagement. In many cases, however, enforcers found the process disclosures generic, with little information on how the issuers had adapted the required or suggested steps to their own considerations. Moreover, some topical information was missing in many cases.
- Almost all issuers provided a description of their identified IROs, many of which could be mapped to the ESRS sustainability matters. Enforcers, however, found cases where a different terminology than that of ESRS had been used, making it more difficult to map the disclosed IROs with the ESRS sustainability matters and, in some cases, to identify the related topical disclosures.
- A vast majority of issuers disclosed the list of ESRS disclosure requirements they had complied with, and the list of datapoints derived from other EU legislation, although, for the latter, part of the information was sometimes missing.

> [Section 4.2.2.1](#)

Jump to the full assessment of this priority

2.2.2 Scope and structure of the sustainability statement

Key Finding: The scope and structure of the sustainability statement, as prescribed by the ESRS, were generally complied with. Issuers relied on the flexibility to make use of incorporation by reference but did not always respect the mandatory conditions. Direct connections with financial disclosures were often missing.

- Most issuers presenting a consolidated sustainability statement confirmed that they prepared it for the same scope as that of the financial statements, but enforcers noted some cases of misalignment.
- Issuers generally followed the structure of the sustainability statement in four parts, as prescribed by the ESRS, although enforcers identified some deviations where custom structures were implemented and/or some information was positioned outside the designated section.
- A large majority of issuers made use of incorporation by reference, among which some did not comply with the ESRS requirements. Enforcers found that, in a limited number of cases, the use of incorporation by reference impaired the overall cohesiveness and readability of the sustainability statement.
- A low number of issuers provided full information enabling an understanding of the connections between the sustainability statement and other parts of the corporate reports. Part of the sample made no connection at all, either because financial information was entirely missing from their sustainability disclosures, or because it was not reconciled with the financial statement.

> [Section 4.2.2.2](#)

Jump to the full assessment of this priority

2.2.3 Disclosures relating to Article 8 of the Taxonomy Regulation

Key Finding: Consistency between the Taxonomy objectives and the ESRS transition plan disclosures was only relevant for a minority of the sample and was not always achieved in those cases. When reporting their KPIs, most issuers referenced their financial statement and notes, but enforcers also noted cases of partial connection.

- Consistency between the transition plan and Taxonomy disclosures could only be assessed when the issuer had disclosed both a transition plan and Taxonomy objectives, which was not the case for most of the sample. Where both had been reported, inconsistencies were noted in some cases.
- A majority of issuers made reference to their financial statement and notes when disclosing their turnover and CapEx KPIs, although some disclosures were partial.
- Close to half of the non-financial issuers of the sample reported activities eligible for multiple environmental objectives. Most of the limited number of financial issuers in the sample which are parent of a financial conglomerate disclosed a consolidated group level KPI. A few of the financial issuers made voluntary disclosures of estimates of the Taxonomy alignment of their exposures.

> [Section 4.2.2.3](#)

Jump to the full assessment of this priority

2.3 Other activities in sustainability reporting

The following sub-sections provide a snapshot of the main activities and output of the Sustainability Reporting Working Group (SRWG) in 2025.

Case Discussions

Within the SRWG, enforcers discuss the application and enforcement of the sustainability information framework in regular meetings, ad-hoc conference calls or through written procedure. Enforcement cases are generally discussed before decisions are taken, in line with ESMA's Guidelines for Enforcement of Sustainability Information (GLES I).

Case discussions enable enforcers to learn about the experience of other enforcers who have already encountered similar issues and to gather useful input for the analysis of technical issues. Enforcers are to take account of the outcome of previous discussions in the SRWG when taking enforcement decisions, promoting a consistent European approach in the supervision and enforcement of the sustainability information framework.

In addition, ESMA gains an understanding of the application of the sustainability information framework in Europe and of the main topics which pose challenges to issuers.

Spotlight: Examples of Topics Discussed at the SRWG

These examples are neither intended to represent all types of issues discussed, nor all areas challenged by enforcers but rather to illustrate some of the issues discussed during the year.

2025 was the first year in which a group of large public-interest entities published sustainability statements in accordance with the ESRS and as such also the first year in which enforcers performed supervision of such statements. A number of the case discussions during the year therefore related to the new reporting requirements, as issuers as well as enforcers were starting to calibrate how to correctly apply various requirements. There were also several cases related to application of the EU Taxonomy. Where relevant, technical issues underlying some of the case discussions benefitted from informal input from technical experts of the Commission and EFRAG. In some instances, matters discussed within the SRWG were clarified in FAQ documents published by the Commission afterwards.

Examples of sustainability cases

ESRS	Article 8 of the Taxonomy Regulation
<p><i>Portraying remediation of negative impacts as positive impacts</i> Enforcers discussed the case of an issuer which had presented the possible remediation of negative impacts coming from its own business as positive impacts, using EFRAG’s guidance as a reference point. The case was useful since it illustrates a tendency which enforcers might encounter and it furthermore provided enforcers with the occasion to discuss the clarification of this matter which is included in the draft revised ESRS.</p> <p><i>How to treat franchises in the sustainability statement</i> The discussion revolved around whether to cover franchise workers under S1 (<i>Own workforce</i> – as non-employees) or S2 (<i>Workers in the value chain</i>). As the reporting obligations under S1 are more substantial, this question is important. Enforcers considered that classification may depend on the nature of the franchise contract, notably whether the issuer controls the work performed by the franchise workers which, enforcers agreed, was usually not the case.</p> <p><i>Remuneration disclosure when CEO is not highest paid individual (S1-16, paras 95 and 97b)</i> In relation to the requirement to disclose the ratio between the remuneration of an issuer’s highest paid individual and the median remuneration for all employees excluding the highest paid individual, enforcers discussed an observed diversity in application whereby some issuers calculate the ratio based on the remuneration of the CEO even when they are not the highest paid individual while other issuers use the remuneration of the highest paid individual even when they are not the CEO. The divergence likely comes from the word “CEO” in the footnote reference to an SFDR PAI indicator whereas S1-16 itself consistently refers to “highest paid individual” which enforcers therefore agreed was the reference point.</p>	<p><i>Disclosure on how alignment was assessed</i> Enforcers discussed the requirement for disclosures explaining how issuers assessed the Taxonomy alignment of their activities. In one specific case, the issuer only briefly stated that it complied with the disclosure requirements regarding technical screening criteria and <i>do no significant harm</i> without providing any explanation or analysis regarding <u>how</u> it assessed its alignment. However, enforcers had generally seen several such cases and agreed that explanation was needed on the way in which issuers had assessed their alignment, notably for some activities where alignment is less obvious.</p> <p><i>Statement that financial undertakings have no Taxonomy-aligned economic activities</i> Enforcers discussed how to apply the new provision in the Amending Delegated Act, published by the Commission in July 2025, according to which financial undertakings do not have to report under the Taxonomy provided that they include a statement in the management report that they do not have Taxonomy-aligned economic activities. Notably, enforcers discussed that, if this statement is to be covered by the assurance engagement, it has to sit within the part of the management report dedicated to sustainability reporting.</p>

Support for first ESRS application in the Omnibus environment

Due to the concurrent appearance of first-year reporting under the ESRS, the Omnibus amendments to both CSRD and ESRS and the uneven transposition of the CSRD, ESMA observed some uncertainty regarding the approach enforcers would take to supervision in 2025. It therefore issued a statement³³ in June in which it i) confirmed the commitment of NCAs and ESMA to promoting transparent sustainability reporting while acknowledging the need to ensure proportionality in the measures applicable to issuers, ii) highlighted that the first years of ESRS application will imply a learning curve which necessitates a proportionate and realistic approach to supervision, making extensive use of dialogue and other informal measures and iii) clarified how NCAs operating in non-CSRD transposing Member States would tackle supervision. This statement remains a reference point for the approach to supervision of sustainability information in 2026.

Further in relation to supervision of sustainability information, ESMA issued the first compliance table³⁴ with its Guidelines on Enforcement of Sustainability Information (GLES³⁵) which at the same time illustrated NCAs' commitment to harmonised supervision and the challenges of the uneven transposition of the CSRD across Member States.

Contribution to the European standard setting process

In 2025, ESMA continued to contribute as an observer to the work of the EFRAG Sustainability Reporting Technical Expert Group and Board. In this capacity, ESMA monitored the revision of ESRS Set 1 and contributed its views from an enforcement perspective, notably on topics such as investor protection, alignment with other EU legislation and interoperability with international sustainability reporting standards. As part of this work, ESMA submitted and published a response to EFRAG's consultation on the revision of the ESRS³⁵ and started preparing its opinion on the revised ESRS for submission to the European Commission in early 2026.

International cooperation

As in previous years, ESMA participated in discussions on sustainability reporting and its supervision and enforcement with various non-EU bodies over the course of 2025. These discussions included dialogue with the International Sustainability Standards Board (ISSB), the Global Reporting Initiative (GRI) and participation in the relevant workstreams of the International Organization of Securities Commissions (IOSCO).

³³ [ESMA32-992851010-2254](#) – Public Statement *Navigating change together: ESRS supervision in the Omnibus environment*, 20 June 2025.

³⁴ [ESMA32-992851010-1155](#) – Compliance Table *Guidelines on Enforcement of Sustainability Information*, 12 November 2025.

³⁵ [ESMA32-846262651-5289](#) – Response to EFRAG's consultation on its Exposure draft on the revised ESRS, 1 October 2025.

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Enforcement of ESEF Reporting

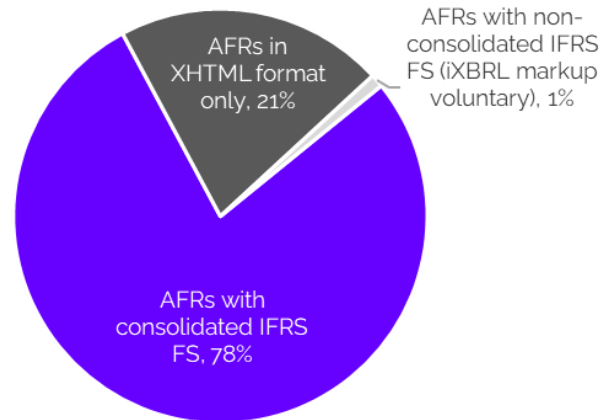
This chapter describes the main activities conducted by enforcers and by ESMA during 2025 to assess compliance with the requirements set out under the regulatory technical standards (RTS) on the European Single Electronic Format (ESEF). The RTS on ESEF requires all issuers subject to the requirements contained in the Transparency Directive to publish their annual financial reports (AFRs) in the Extensible Hypertext Markup Language (XHTML) format. Where issuers prepare IFRS consolidated financial statements, they shall mark up these IFRS consolidated financial statements using the XBRL markup language. The markups are embedded in the XHTML document version of the AFR using the Inline XBRL (iXBRL) format.

Number of issuers under enforcement

At the end of 2025, approximately 4,000 issuers were within the scope of enforcement activities for the purpose of assessing compliance with ESEF requirements. This includes issuers with:

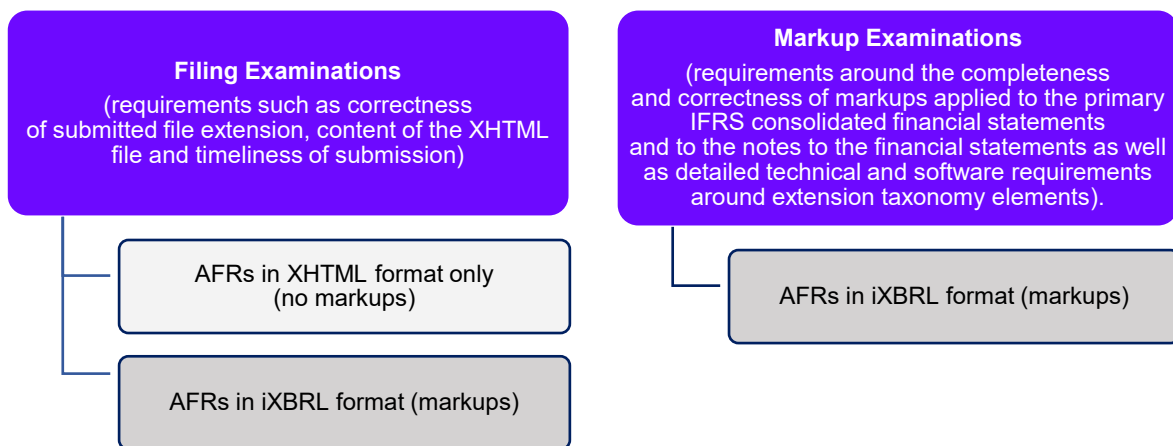
- IFRS consolidated financial statements with mandatory iXBRL markups;
- non-consolidated IFRS financial statements with voluntary iXBRL markups
- financial statements in XHTML format only (non-consolidated IFRS financial statements without voluntary iXBRL markups and non-IFRS financial statements).

For country-by-country information on the number of issuers submitting ESEF filings with iXBRL markups vs. XHTML only, please refer to [Annex III](#).



Examination types

For the purposes of this report, enforcement activities are considered to involve human intervention and as such do not focus on the additional vast number of automatic checks and validations performed on ESEF annual financial reports (AFR) submissions by enforcers to ensure that a filing meets the basic criteria of ESEF. The following table summarises the examination types applicable to AFRs in the scope of ESEF. Examination types included in this report also distinguish between:



For both filing and markup examinations, two examination sub-types are applicable:

- **Desktop examinations:** entailing no interaction between the enforcer and the issuer and including checks such as, but not limited to, following up on or reviewing validation errors or warnings from an automatic examination report, performing additional checks or assessing documentation, and;
- **Interactive examinations:** including the interaction between the enforcer and the issuer, such as asking questions and/or requiring documents from the issuer.

3.1 Main indicators of national enforcement activity

3.1.1 Filing examinations

Examinations

During 2025, enforcers examined the AFRs of 2,995 issuers to check the technical compliance of the ESEF filing (for example, whether the format follows the prescribed ESEF requirements, including checking whether the content of the file submission contains the entire AFR). The overall examination rate (action rate) was 76% (9%)³⁶. The examination rate (action rate) was 74% (9%) of the total iXBRL filers population and 81% (9%) of the total XHTML-only filers population.



Number of issuers examined		Examination type		Examination rates
		Desktop	Interactive	
2,995 Issuers subject to a filing examination	2,338 Exams of issuers with iXBRL format AFRs (with markups)	2,228	110	74% of the population of issuers required to provide an ESEF AFR in iXBRL
	657 Exams of issuers with XHTML format AFRs (without markups)	635	22	81% of the population of issuers required to provide an ESEF AFR in XHTML-only
	Total 2025	2,995	2,863	132

Actions

Based on the filing examinations, enforcers took 266 actions in 2025. Most actions taken by enforcers with respect to filing examinations required the issuer to re-submit or re-disseminate the ESEF AFR. Please note that one enforcement action can relate to multiple areas of non-compliance. Other measures refer to informal requests from enforcers to issuers for improvements in future AFRs on aspects that were not identified during an examination as infringements. In 2025, enforcers took 96 such other measures, which were related to late submissions of the ESEF AFR to the OAM and ensuring that the ESEF AFR was made available on the issuer's website and to improve the disclaimers in the PDF version of the AFR published on the issuer's website to underline that this is not the version in compliance with the Transparency Directive.

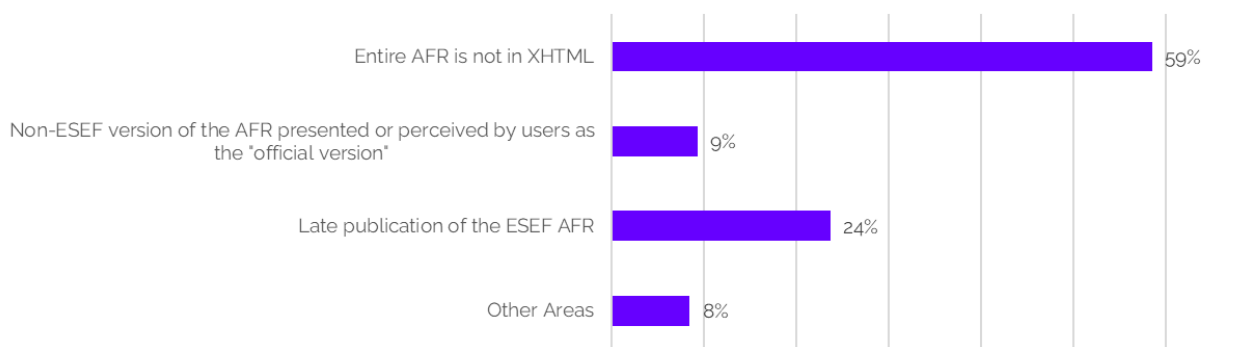


³⁶ These ratios are based on the 3,959 issuers that prepared AFRs with IFRS consolidated financial statements in iXBRL format (3,144 issuers) and AFRs in XHTML-only (815 issuers), as of the end of 2024.

Actions taken		Re-submission/ re-dissemination of the ESEF AFR	Require a correction in future ESEF AFR	Require a public corrective note	Action Rates	Other measures
266 Total actions based on filing examinations	210 Actions on iXBRL format AFRs (with markups)	170	40	-	9%	71
	56 Actions on XHTML format AFRs (without markups)	39	17	-	9%	25
	Total 2025 266	209	57	-	9%	96

Areas addressed with enforcement actions and other measures in 2025

The following figures illustrate specific errors with respect to compliance with *filing* requirements on which actions and other measures were taken during 2025 and provides a breakdown of actions and other measures by type of error. More than one action or other measure can be depicted per issuer.



2025 ESMA and enforcer key messages

- Issuers must ensure that the ESEF AFR is treated and published as the official, authoritative version, making it available both on their website and through the OAM. Issuers should verify in advance that the ESEF package is fully valid (including correct XHTML structure, taxonomy integrity (such as the proper inclusion, linking and consistency of the core and extension taxonomy files) and the absence of fatal technical errors (such as broken links, missing or corrupted files or missing mandatory components) to avoid the need for re-submission. The content of the ESEF AFR should be mirrored by any accompanying PDF version, ensuring that every figure, section and statement is consistent across formats.
- To safeguard machine readability, issuers must avoid embedding mandatory elements of AFR and relevant financial information within images, ensuring that all mandatory disclosures are properly marked up and text-based, where such disclosures are applicable. When providing a PDF AFR as an additional convenience, for example as a voluntary additional language version of the AFR, issuers must publish clear disclaimers stating explicitly that the PDF is not the official report and that the ESEF version prevails for Transparency Directive purposes. If any inconsistencies or outdated PDFs are identified, issuers should replace or correct these materials without delay.
- To help prevent any regulatory follow-ups or compliance issues, issuers should monitor all publication deadlines carefully. Where issues such as readability problems, or persistent markup deficiencies are detected, issuers may need to promptly resubmit corrected ESEF AFRs.

3.1.2 Markup examinations

Examinations

During 2025, enforcers examined the primary financial statements and/or notes to the financial statements of 613 issuers, which are required to provide an ESEF AFR in iXBRL format. During these examinations, enforcers checked compliance with markup requirements, such as assessing the completeness and correctness of the markups, and, in the case of notes to the consolidated IFRS financial statements, the readability of the extracted and rendered information.

The overall examination rate was 19% (of the population of issuers required to provide an ESEF AFR in iXBRL format) and the overall action rate was at 13%.



Number of issuers examined		Desktop	Interactive
613 Issuers subject to a markup examination	58 exams of PFS markups only	51	7
	555 exams of PFS and Notes to the FS markups	425	130
Total 2025		476	137

Actions

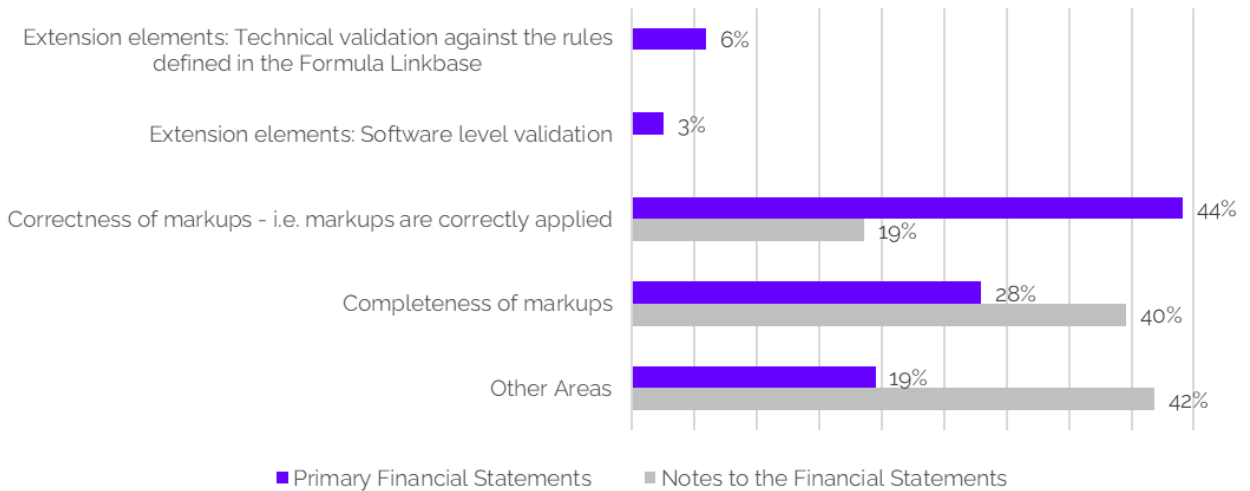
Based on the markup examinations, enforcers took actions for 80 issuers in 2025 (an action rate of 13%). Most actions required the issuer to include a correction in the future AFR. Please note that one enforcement action can relate to multiple areas of non-compliance. Other measures related to recommendations for improving the underlying HTML coding of text blocks elements to ensure a proper readability of rendered block-tags. Other measures concerned situations where issuers did not commit to correcting improperly selected signs or balance attributes, or to assigning clear and distinguishable names to extension taxonomy elements to avoid confusion with existing IFRS taxonomy elements.



Actions		Re-submission/ re-dissemination of the ESEF AFR	Require a correction in future ESEF AFR	Require a public corrective note	Other measures
80 Total actions based on markup examinations	8 actions covering PFS markups only	1	7	-	-
	72 actions covering PFS & Notes to the FS markups	3	67	2	11
Total 2025		4	74	2	11

Areas addressed with enforcement actions and other measures in 2025

The following figure illustrates specific errors with respect to compliance with *markup* requirements on which actions and other measures were taken during 2025 and provides a breakdown of actions and other measures by type of error. More than one action or other measure can be depicted per issuer.



2025 ESMA and enforcer key messages

- Enforcers continue to encourage issuers to select core taxonomy elements based on accounting substance. This includes verifying that extension taxonomy elements are used only where no suitable core taxonomy element exists and that anchoring follows the principles described in the ESEF Reporting Manual. To prevent errors arising from misinterpretation of accounting content, issuers should foster joint reviews between preparers and technical ESEF specialists, particularly when selecting taxonomy elements or designing extension elements.
- Issuers should ensure correct sign, numerical scaling and consistency across all PFS values and implement internal validation steps to verify that all numerical values in the PFS are reported using the appropriate scale and units. This includes embedding checks directly into the preparation workflow so that scaling inconsistencies are identified.
- Issuers should consider embedding a step in their review cycle to view the extracted content as it would appear to analysts and regulators, ensuring that the markup process facilitates (rather than disrupts) the readability of marked up text disclosures.
- Issuers should incorporate checks to ensure they are using the taxonomy version and ESEF Conformance Suite applicable to the reporting period. This includes updating software tools and reviewing the ESMA communications regarding new taxonomy releases.
- Issuers should ensure that all numbers in a stated currency are marked up even if part of a footnote, and that empty fields and/or hyphens which represent the meaning “nil” are also transformed and marked up.
- Other areas addressed by enforcement actions in 2025 and noted in the chart above related primarily to label quality and language mismatch, naming convention concerns for extension taxonomy elements, as well as the inappropriate use of label roles for mark-ups in the primary financial statements. For mark-ups in the notes to the financial statements, enforcement actions frequently concerned the improper use of the escape attribute, which can distort rendering and impair the human readability of text block mark-ups (particularly in tables). Issuers are encouraged to review these areas carefully to ensure that labels, naming conventions, language declarations and technical attributes are applied correctly. Improving attention to these details will support higher-quality filings and help prevent avoidable follow-up from enforcers.

3.2 Assessment of compliance with ESMA’s 2024 ECEP

In the 2024 ECEP, ESMA and national enforcers identified for the first time a specific priority for ESEF reporting focused on addressing common filing errors in the Statement of Financial Position of issuers’ annual reports submitted in ESEF format. This priority highlighted the importance of accurate digital tagging, including ensuring the correctness, consistency and completeness of mark-ups, appropriate use of core and extension taxonomy elements, correct signs & scaling and consistency of related calculations across the ESEF filing.



To analyse how the 2024 ECEP were applied, enforcers examined the ESEF annual financial reports of a sample of 88 issuers from 25 EEA countries. Issuers in the sample were selected based on risk and not randomly, and, therefore, the findings in the sections below should not be extrapolated to the wider population of issuers in the EEA. All findings in the following sections refer to the sub-sample of issuers for whom a given topic was relevant.

Enforcement actions related to the 2024 ECEP



Overall, enforcers took **18 enforcement actions** based on the examination of the 88 issuers in the sample, all in the form of requiring the issuer to correct the relevant matter in future ESEF annual financial reports.



In addition to those actions undertaken in 2025, 14 ECEP examinations of 2024 ESEF filings were still ongoing as of the publication date of this report. Considering this, certain potential compliance deficiencies observed during this ECEP assessment may be subject to potential additional enforcement action.

Key Finding: Most issuers demonstrated clear progress, with the majority effectively implementing the expectations set out in the 2024 ECEP. While remaining issues were limited to a small number of fringe cases, they indicate that there is still room for improvement.

- Some inconsistencies and markup errors persist, underscoring the need for continued attention to correct, consistent and complete application of IFRS taxonomy elements across both primary financial statements and notes to the financial statements.
- Broader markup practices matter just as much as individual markups themselves, including choosing the right taxonomy element, ensuring alignment between notes and statements and avoiding outdated or inappropriate markups.
- Completeness remains a key challenge, with several issuers omitting markups for comparative amounts, zero-value items, footnotes containing monetary information or mandatory text blocks.
- Extension taxonomy elements were generally used appropriately, though some issuers still misapplied anchors or created unnecessary extensions: these are practices that weaken comparability and should be avoided.

> [Section 4.3.4](#)

Jump to the full assessment of this priority

3.3 Other activities in ESEF reporting

The following sub-sections provide a snapshot of the main activities and output of the ESEF Project Team (ESEF PT) in 2025 and outline the key developments expected in the ESEF landscape for 2026.

Case Discussions

Enforcers discuss specific cases regarding the correct application of the RTS on ESEF and share practices regarding methods for supervising the correct application of ESEF. Insights from these discussions inform ESMA's periodic updates to the RTS on ESEF and to the ESEF Reporting Manual.

ESEF Reporting Manual update

ESMA updates the ESEF Reporting Manual³⁷ aimed at all market participants involved in the implementation of the requirements set out in the ESEF Regulation. The Reporting Manual is intended to provide guidance on issues commonly encountered when creating ESEF documents and to promote a harmonised and consistent approach for the preparation of the AFRs in compliance with the ESEF Regulation.

ESEF XBRL files and Conformance Suite test files update

ESMA updates the [ESEF XBRL files](#) and [Conformance Suite test files](#) to facilitate implementation of the updated version of the ESEF RTS and Reporting Manual into software products used by preparers. The ESEF Conformance Suite is aimed primarily at a technical audience (i.e., XBRL software developers), to test and provide assurance that software tools can create and/or consume filings which are in line with all ESEF requirements.

ESEF data usability

ESEF data usability has become an increasingly important focus of ESMA's digital reporting work. ESMA's internal analyses highlight that unlocking the full value of ESEF requires simultaneous progress on data accessibility, data quality and practical tools. ESMA's broader work on data, as reflected in the 2025 Report on Quality and Use of Data³⁸, shows that centralised collection and structured use of ESEF AFRs is already enabling comparative analysis and supervisory insights, while also exposing recurring issues which have informed ESMA's ESEF common enforcement priorities. Together, these initiatives demonstrate ESMA's commitment to strengthening the usability, reliability and supervisory value of ESEF data across the EU.

Upcoming developments in the ESEF space

Considering the sustainability reporting requirements, namely the obligation to prepare the management report in the electronic format specified in Article 3 of the RTS on ESEF (i.e., XHTML) and to mark up the sustainability report, including Article 8 of the Taxonomy Regulation disclosures, in accordance with the ESEF (i.e., iXBRL), as well as the Omnibus Simplification Package, ESMA has put on hold the development of the digital requirements for sustainability reporting. ESMA has been closely monitoring the discussions and is currently assessing the impact of the forthcoming revised ESRS and Article 8 disclosure, together with the related taxonomies, on the digital requirements.

ESMA has amended the RTS on ESEF³⁹ to reflect the 2025 update to the IFRS Accounting taxonomy, including the introduction of IFRS 18 and IFRS 19 taxonomies, which will apply to financial years beginning on or after 1 January 2027, with early application permitted. The amended RTS has entered into force with its publication in the Official Journal for 2026 annual financial reports.

³⁷ [ESMA32-60-254 Rev](#), *ESEF Reporting Manual - Preparation of Annual Financial Reports in ESEF format (Update October 2025)*. 14 October 2025.

³⁸ Upcoming ESMA publication.

³⁹ [Delegated regulation - EU - 2026/283 - EN - EUR-Lex](#), 18 March 2026.

Annexes

4.1 Annex I: Financial Reporting

4.1.1 List of enforcers

Country	Enforcer	Abbreviation
Austria	Financial Market Authority Austrian Financial Reporting Enforcement Panel	FMA AFREP
Belgium	Financial Services and Markets Authority	FSMA
Bulgaria	Financial Supervision Commission	FSC
Croatia	Croatian Financial Services Supervisory Agency	HANFA
Cyprus	Cyprus Securities and Exchange Commission	CySEC
Czechia	Czech National Bank	CNB
Denmark	Danish Financial Supervisory Authority Danish Business Authority	Danish FSA DBA
Estonia	Estonian Financial Supervision Authority	EFSA
Finland	Finnish Financial Supervisory Authority	FIN-FSA
France	Financial Markets Authority	AMF
Germany	Federal Financial Supervisory Authority	BaFin
Greece	Hellenic Capital Market Commission	HCMC
Hungary	Central Bank of Hungary	MNB
Iceland	Central Bank of Iceland Directorate of Internal Revenue	CB RSK
Ireland	Central Bank of Ireland ⁴⁰ Irish Auditing and Accounting Supervisory Authority	CBI IAASA
Italy	Companies and Securities National Commission	Consob
Latvia	Central Bank of Latvia	CBL
Liechtenstein	Liechtenstein Financial Market Authority	LFMA
Lithuania	Bank of Lithuania	LB
Luxembourg	Financial Markets Supervisory Commission	CSSF
Malta	Malta Financial Services Authority	MFSA
Netherlands	Netherlands Authority for the Financial Markets	AFM
Norway	Norwegian Financial Supervisory Authority	NFSA
Poland	Polish Financial Supervision Authority	PFSA
Portugal	Securities National Commission Bank of Portugal Insurance and Pension Funds Supervisory Authority	CMVM BP IPFSA
Romania	Financial Supervisory Authority	ASF
Slovakia	National Bank of Slovakia	NBS
Slovenia	Securities Market Agency	SMA
Spain	Spanish Securities Market Commission	CNMV
Sweden	Swedish Financial Supervisory Authority Council for Swedish Financial Reporting Supervision	Swedish FSA SFRS

⁴⁰ While CBI is the national administrative competent authority represented in ESMA's Board of Supervisors, IAASA has been designated as the sole competent authority for carrying out the obligations in Article 24(4)(h) of the Transparency Directive.

4.1.2 Number of IFRS issuers per EEA country

Country	Consolidated IFRS financial statements				Non-consolidated IFRS financial statements		Total IFRS Issuers	
	Issuers of equity		Issuers of bonds and securitised debt		2024	2025	2024	2025
	2024	2025	2024	2025				
Austria	55	51	21	19	-	-	76	70
Belgium	96	95	2	2	3	3	101	100
Bulgaria	108	104	22	20	153	168	283	292
Croatia	55	55	5	5	21	20	81	80
Cyprus	49	46	-	-	13	13	62	59
Czechia	18	18	9	8	51	48	78	74
Denmark	104	99	9	11	12	9	125	119
Estonia	20	19	5	7	7	8	32	34
Finland	132	129	25	23	-	-	157	152
France ⁴¹	316	296	19	15	5	6	340	317
Germany ⁴⁸	333	318	21	20	9	7	363	345
Greece	103	105	2	3	28	25	133	133
Hungary	33	34	6	7	14	14	53	55
Iceland	25*	25	8*	9	17*	19	50*	53
Ireland	18	16	7	4	50	54	75	74
Italy	191	181	3	3	7	6	201	190
Latvia	3	3	6	7	4	5	13	15
Lithuania	19	18	5	6	6	7	30	31
Luxembourg	44	41	17	12	35	32	96	85
Malta	29	31	25	27	36	42	90	100
Netherlands	120*	120	7	6	21*	20	148	146
Norway	189	180	47	50	30	28	266	258
Poland ⁴⁸	283	272	2	2	65	62	350	336
Portugal	30	28	8*	8	5*	4	43*	40
Romania	45	44	9	7	41	45	95	96
Slovak Republic	7	5	7	7	6	4	20	16
Slovenia	17	13	-	-	2	2	19	15
Spain	120	117	4	4	-	-	124	121
Sweden	363	363	16	16	-	-	379	379
TOTAL	2,925	2,826	317	308	641	651	3,883	3,785

* The 2024 value differs from the corresponding figure presented in the 2024 edition of this report as it has been updated by the respective NCAs post-publication.

⁴¹ The decrease in issuer population between 2024 and 2025 for this jurisdiction occurred primarily due to de-listings.

4.1.3 Number of examinations of IFRS financial statements per EEA country

The table summarises all IFRS examinations concluded in 2025 under GLEFI including pre-clearance cases (Guideline 4) and examinations of financial statements in IPO-related prospectuses. The figures, however, exclude reviews still ongoing at year-end. Comparability across enforcers remains limited due to differences in scope, use of pre-clearance, voluntary application to prospectuses, and varying examination approaches.

Country	Total exam.	Disaggregation by type				Disaggregation by nature		
		Unlimited scope		Focused		Ex-post	Financial information contained in prospectus	Pre-clearance
		Desktop	Interactive	Desktop	Interactive			
Austria	22	-	19	-	3	22	-	-
Belgium	15	-	11	3	1	13	1	1
Bulgaria	40	-	-	40	-	40	-	-
Croatia	12	-	12	-	-	4	8	-
Cyprus	10	1	3	4	2	10	-	-
Czechia	14	2	2	7	3	4	10	-
Denmark	13	1	9	-	3	13	-	-
Estonia	10	-	10	-	-	3	7	-
Finland	10	1	7	-	2	5	5	-
France	62	4	43	5	10	60	-	2
Germany	52	-	37	9	6	52	-	-
Greece	20	1	19	-	-	15	5	-
Hungary	6	-	3	-	3	6	-	-
Iceland	6	5	1	-	-	6	-	-
Ireland	12	-	5	1	6	12	-	-
Italy	47	4	21	9	13	47	-	-
Latvia	10	8	2	-	-	8	2	-
Lithuania	2	-	-	-	2	2	-	-
Luxembourg	24	3	18	3	-	24	-	-
Malta	8	-	3	2	3	8	-	-
Netherlands	31	12	16	-	3	31	-	-
Norway	20	8	5	1	6	20	-	-
Poland	58	-	25	2	31	56	2	-
Portugal	7	-	-	1	6	7	-	-
Romania	17	-	11	-	6	17	-	-
Slovak Republic	5	4	1	-	-	5	-	-
Slovenia	2	-	2	-	-	2	-	-
Spain	28	-	16	-	12	25	3	-
Sweden	65	8	49	2	6	65	-	-
TOTAL	628	62	350	89	127	582	43	3

4.1.4 Number of IFRS issuers for which action was taken per EEA country

The table shows the number of issuers subject to enforcement action in 2025 under GLEFI Guideline 7, counting only the most severe action per issuer and excluding pre-clearances and prospectus reviews; however, comparability is limited because enforcers' legal powers, use of actions and national frameworks differ, and some actions are unavailable or unused in certain jurisdictions.

Country	Require a reissuance of financial statements	Require a public corrective note	Require a correction in future financial statement	Total
Austria	-	3	-	3
Belgium	-	-	4	4
Bulgaria	-	-	7	7
Croatia	-	-	-	-
Cyprus	-	-	1	1
Czechia	-	-	-	-
Denmark	-	1	6	7
Estonia	-	-	1	1
Finland	-	-	2	2
France	-	-	50	50
Germany	-	11	16	27
Greece	-	1	2	3
Hungary	-	-	4	4
Iceland	-	-	-	-
Ireland	-	-	5	5
Italy	-	5	5	10
Latvia	-	-	3	3
Lithuania	1	-	-	1
Luxembourg	-	-	11	11
Malta	-	1	5	6
Netherlands	-	-	5	5
Norway	-	-	9	9
Poland	1	-	37	38
Portugal	-	-	1	1
Romania	-	-	4	4
Slovak Republic	1	-	-	1
Slovenia	-	-	1	1
Spain	-	1	6	7
Sweden	-	1	28	29
TOTAL	3	24	213	240

4.1.5 Breakdown by geographical clusters

Clusters of IFRS issuers	Countries ⁴²
1-49	Estonia, Latvia, Lithuania, Portugal, Slovak Republic, Slovenia
50-94	Austria, Croatia, Cyprus, Czechia, Hungary, Iceland, Ireland, Luxembourg
95-249	Belgium, Denmark, Finland, Greece, Italy, Malta, Netherlands, Romania, Spain
≥250	Bulgaria, France, Germany, Norway, Poland, Sweden

IFRS Reporting – Examinations and Actions

The following table shows information regarding the number of examinations and actions taken for each cluster:

Cluster	Issuers per cluster - year end (2024)	Issuers subject to unlim. scope exam.	Unlim. scope exam. rate	Issuers subject to exam.	Exam. rate	Issuers subject to ex-post exam.	Issuers for which actions were taken	Sample action rate
1-49 issuers	157	27	17%	36	23%	27	8	30%
50-94 issuers	571	74	13%	106	19%	88	24	27%
95-249 issuers	1,174	132	11%	189	16%	174	48	28%
>250 issuers	1,981	179	9%	297	15%	293	160	55%
Total	3,883	412	11%	628	16%	582	240	41%

APM Reporting – Examinations and Actions

The following table further summarises the examinations undertaken by enforcers in 2025 related to the annual and interim management reports of IFRS issuers. The table divides EEA countries into the same clusters used for the IFRS reporting section and shows the examination rate – i.e., the proportion of issuers examined – and the action rate – i.e., the proportion of examinations that led to an action.

Cluster	Issuers per cluster – year end (2024)	Total issuers subject to examinations	Examination rate ⁴³	Total issuers for which actions were taken	Action rate ⁴⁴
1-49 issuers	157	16	10%	4	25%
50-94 issuers	571	59	10%	7	12%
95-249 issuers	1,174	162	14%	16	10%
>250 issuers	1,981	197	10%	42	21%
Total	3,883	434	11%	69	16%

⁴² There are no issuers from Liechtenstein.

⁴³ Number of issuers examined divided by total number of issuers.

⁴⁴ Number of issuers for which actions were taken divided by number of examinations carried out.

4.1.6 2024 ECEP Assessment: IFRS Reporting

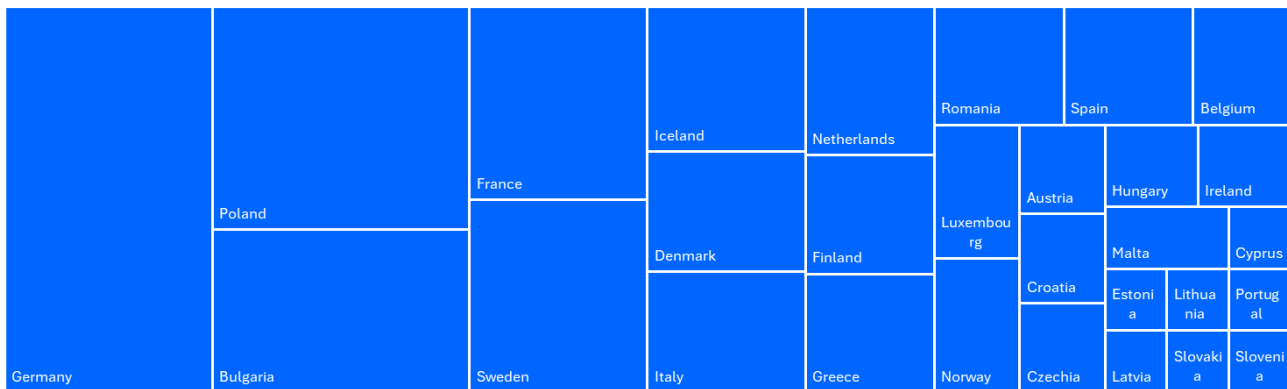
This annex sub-section presents the complete assessment of the 2024 ECEP, per individual priority.

4.1.6.1 Liquidity Considerations

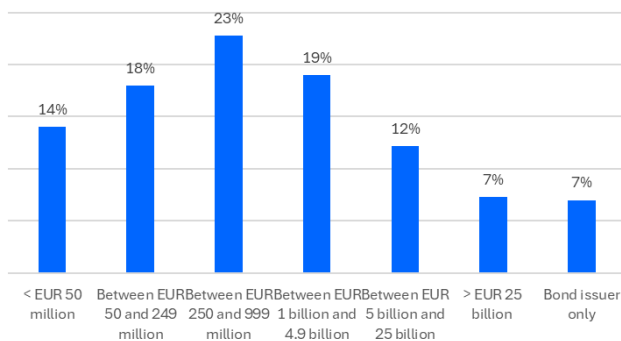
Assessment Sample

Enforcers assessed how issuers addressed the aspects related to the liquidity considerations highlighted in the 2024 ECEP, based on a **sample of 130 issuers**. Information about the sector and market capitalisation of the issuers in the sample is presented in the graphs below.

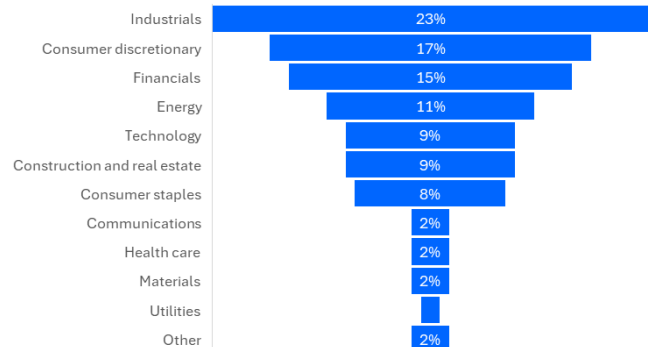
Country Composition of Sub-Sample for Priority 1



Market Capitalisation Breakdown



Sector Breakdown



Analysis of information provided

→ Supplier Finance Arrangements (SFA) [paragraphs 44F – 44H of IAS 7, paragraph B11F(j) of IFRS 7]

Among the **25 issuers** in the sample that had entered material supplier finance arrangements (SFA) that meet the characteristics described in paragraph 44G of IAS 7:

- **84% (21) of issuers** disclosed the terms and conditions of all SFAs by outlining the range of extended payment terms, with some clarifying that no additional guarantees or collateral were provided and explaining that the arrangements did not alter the original commercial payment conditions. **In 8% (2) of cases**, issuers provided some disclosures to this effect, but not in sufficient detail (for example, disclosed some basic terms of the SFA and provided only boilerplate, non-entity-specific explanations that did not fully address extended payment terms or other key conditions required for transparent assessment), while in the **other 8% (2) of cases**, the disclosures were missing altogether.
- Among the 23 issuers that provided disclosures on the terms and conditions of the SFA:
 - **48% (11) of issuers** obtained extended payment terms from the finance providers and the issuer's suppliers obtained early payment terms, **39% (9) of issuers'** suppliers obtained early payment terms only, while **13% (3) of issuers** obtained extended payment terms from the finance providers only.

- **74% (17) of issuers** disaggregated the terms and conditions of their SFAs by clearly distinguishing SFA-related liabilities from other payables (often providing separate quantitative breakdowns, differentiated payment-term ranges and programme-specific descriptions), thereby isolating the unique features of each arrangement from standard commercial debt. Meanwhile, **26% (6) of issuers** did not disaggregate this information because all their SFAs shared similar contractual features, with no material differences across arrangements that would warrant separate and detailed breakdowns.

Enforcers followed up with nine issuers whose disclosures in one or more areas above were considered inadequate. This interaction led to two enforcement actions as well as to other measures. One examination is ongoing.

Among the 25 issuers in the sample that had entered material SFAs, at the end of the reporting period the following was disclosed:

	Full information	Some information	No information
Carrying amounts of financial liabilities that are part of the arrangement and associated balance sheet line items	88% (22) Recorded typically within <i>Trade and Other Payables</i> .	4% (1) Despite reporting some carrying amounts, the short-lived arrangement was not adequately explained in the financial statements.	8% (2)
Carrying amounts of financial liabilities for which suppliers have already received payment from finance providers and associated balance sheet line items	88% (22)	-	12% (3) could not disaggregate the timing of bank-to-supplier settlements because this information lies outside their control, reflecting separate supplier-bank arrangements.
Range of payment due dates for both the financial liabilities part of an SFA and comparable trade payables that are not part of an SFA	72% (18) Disclosed the comparative payment-term ranges for both SFA-related liabilities and non-SFA trade payables, showing whether (and how far) SFA maturities differed from ordinary terms.	20% (5) Only partially met the requirement because they disclosed payment-term ranges for SFA and non-SFA payables but often omitted comparable ranges, explanatory context or clear identification of SFA-related liabilities.	8% (2)

- **24% (6) of issuers** disclosed both the type and effect of non-cash changes on the carrying amounts of an SFA's liabilities, such as reclassifications and exchange-rate differences, though in some cases no non-cash changes arose beyond those already presented in the notes. For **12% (3) of issuers**, this information was missing (disclosed where SFA-related liabilities sit on the balance sheet but failed to provide clear information on the non-cash changes affecting those liabilities), and for **64% (16) of issuers**, enforcers concluded that issuers consistently reported that no relevant non-cash changes existed and none were expected under the terms of their SFA arrangements.
- **36% (9) of issuers** disclosed descriptions of how they manage the liquidity risk inherent with the access to facilities under the SFA that provide (i) the issuer with extended payment terms and/or (ii) the issuer's suppliers with early payment terms. For instance, issuers explained that these arrangements do not materially alter payment terms, are integrated into broader liquidity planning or are supported by strong cash buffers, credit lines and diversified financing partners. **16% (4) of issuers** failed to provide the required SFA-related liquidity risk disclosures: while some mentioned liquidity risks arising from SFAs, they either omitted the mandated prior-period comparative information or did not explain how liquidity risk is managed nor provide the required details on these arrangements. Finally, for **48% (12) of issuers**, enforcers found no missing disclosures or need for improvements because they did not extend payment terms or posed no meaningful liquidity risk given the issuers' strong liquidity positions and comprehensive maturity analyses.

Enforcers followed up with six issuers whose disclosures in one or more areas above were considered inadequate. This interaction led to one enforcement action as well as to other measures. Two examinations are ongoing.

→ **Covenants** [paragraphs 74 - 76ZA of IAS 1, paragraphs 18 and 19 of IFRS 7]

Among the **51 issuers** in the sample that have material non-current liabilities subject to covenants (where the entity's right to defer settlement of those liabilities is subject to the entity complying with covenants within twelve months after the reporting period):

- **70% (36) of issuers** provided clear and adequate disclosures by outlining the existence and nature of their financial and non-financial covenants, detailing specific contractual clauses and their consequences and reporting the corresponding carrying amounts of liabilities. **14% (7) of issuers and 12% (6) of issuers** provided little or no disclosures at all, respectively, failing to provide the essential covenant details (such as the specific terms and conditions) leaving users unable to understand covenant requirements, assess compliance risks or evaluate the appropriateness for the liabilities classification. Finally, for **4% (2) of issuers**, enforcers did not anticipate missing disclosures because the issuers included only ancillary clauses (such as change-of-control, cross-default and tax-related acceleration triggers) that do not give rise to further disclosure requirements under the standard.
- **35% (18) of issuers** provided sufficient disclosures regarding facts & circumstances that indicate the entity may have difficulty complying with the covenant, explaining, for example, instances of past non-compliance and related waivers, disclosing renegotiated terms and expected future compliance or offering other contextual information (such as improved gearing and interest-coverage trends) supporting their assessment whether covenant conditions could continue to be met. **2% (1) and 6% (3) of issuers** little or no such disclosures, respectively, failing to reveal the specific covenant ratios required, providing, for instance, only vague, high-level statements that prevent users from assessing compliance risks, particularly significant given that a breach had in fact occurred. Finally, for **57% (29) of issuers**, enforcers did not anticipate missing disclosures because the issuers provided no facts or circumstances suggesting vulnerability and demonstrated ample headroom supported by management forecasts, liquidity resources and clean audit conclusions.

Enforcers followed up with 13 issuers whose disclosures in one or more areas above were considered inadequate. This interaction led to eight enforcement actions as well as to other measures. Two examinations are ongoing.

- **12% (15) of issuers** in the sample (130) have liabilities that meet the criteria for classification as non-current where (i) management intends or expects the entity to settle the liability within twelve months after the reporting period, or (ii) the entity settled the liability between the end of the reporting period and the date the financial statements are authorised for issue.
 - **80% (12) of these issuers** disclosed adequate information about the timing of settlement of liabilities that meet the criteria for classification as non-current where (i) management intends or expects the entity to settle the liability within twelve months after the reporting period, or (ii) the entity settled the liability between the end of the reporting period and the date the financial statements are authorised for issue. For the **three other issuers (20%)**, enforcers concluded that no timing-related disclosures were missing because the annual reports offered explanations deemed sufficient based on materiality considerations.
- **10% (13) of issuers** in the sample had loans payable subject to defaults, breaches or renegotiations of loan agreements. Some of the issuers repeatedly breached or neared breach of key financial covenants (such as net debt/EBITDA, leverage and interest-coverage ratios) resulting in loans being reclassified as short-term, waivers & renegotiated terms being required and multiple facilities undergoing refinancing or amendment.
- **4% (5) of issuers** in the sample have breached a long-term loan covenant on or before the end of the reporting period, with the liability payable on demand. Enforcers found that one issuer incorrectly classified liabilities as non-current despite lacking a waiver before year-end.

→ **Statement of Cash Flows** [IAS 7, in particular paragraphs 7 – 9, 18, 21, 43; paragraphs 31, 112(c), 122 of IAS 1]

The findings in this section relate to **129 issuers** in the sample.

Direct Method	Indirect Method
<ul style="list-style-type: none"> • 12% (15) of issuers used the direct method to report cash flows from operating activities. In all instances, issuers disclosed major classes of gross cash receipts and gross cash payments arising from operating cash flows separately. 	<ul style="list-style-type: none"> • 88% (114) of issuers used the indirect method to report cash flows from operating activities. In all but two instances, the first line of the cash flow statement was readily reconcilable to the income statement.

- In **all but four instances**, operating cash flows only included cash-flows that do not meet the definition of investing or financing cash flows. For the four outliers, operating cash flows were misstated because issuers included items such as cash flows from losing control of subsidiaries or other investing/financing activities.
- In **all but four instances**, issuers' cash flows arising from investing and financing activities were presented on a gross basis. For the four outliers, certain investing and financing cash flows were presented on a net rather than gross basis as, for instance, long-term debt movements and asset investments were netted, which was in some cases judged immaterial.
- **15% (19) of issuers** presented some non-cash transactions in the Statement of Cash Flows. Enforcers observed that these were mainly presented as operating-cash-flow adjustments under the indirect method (such as depreciation and amortisation), along with items like IFRS 16 non-cash additions to right-of-use assets and lease liabilities, foreign-exchange revaluations, and reverse-factoring liabilities. Some issuers, however, relied on vague 'Other' lines or boilerplate disclosures that did not clearly explain the nature of the transactions.
- Disclosures on non-cash transactions were deemed adequate for **97% (125 of issuers)**. For around half of these issuers (62), non-cash investing and financing transactions were clearly identified and transparently disclosed in the notes, often through dedicated reconciliation tables, movement schedules, or explicit captions. These disclosures covered, for example, non-cash changes in financial liabilities, lease-related non-cash movements, asset acquisitions through non-cash means, and other specified non-cash events. For 63 issuers, no disclosure was required, as enforcers found no evidence of any material non-cash investing or financing transactions that would have required changes or corrections. **3% (4) of issuers** did not separately disclose material non-cash investing and financing transactions (such as supplier-finance movements or other financing-related non-cash effects) and therefore did not meet IAS 7's requirement to present these items outside the cash-flow statement.
- In their accounting policies, **94% (121) of issuers** provided adequate disclosures on what constitutes cash and cash equivalents. The large majority of these issuers (112) disclosed what they consider as cash and cash equivalents specifying, for example, the treatment of restricted cash and overdrafts. For a small number of issuers (9), enforcers determined no further disclosure was necessary because the issuer's cash and cash-equivalent balance consisted solely of straightforward items like cash and bank deposits, with no complex instruments or material cash-equivalent judgments involved. By contrast, **6% (8) of issuers** failed to explain or justify sufficiently which items were qualified as cash equivalents.
- **9% (12) of issuers** included immaterial bank overdrafts or small facility arrangements as part of cash and cash equivalents, typically treating overdrafts as integral to cash management, but these amounts were overall negligible and did not distort the composition of cash and cash equivalents.
- Disclosures on what constitutes cash and cash equivalents were deemed appropriate for **94% (121)** of issuers, either because appropriate disclosures were provided or because no further disclosure was expected. 41 of these issuers disclosed, together with a commentary by management, the amount of significant cash and cash equivalent balances held by the entity that are not available for use by the Group, indicating that any restricted or otherwise unavailable cash balances were often small, jurisdiction-specific or linked to securitisation, legal or operational constraints and management provided accompanying explanations demonstrating that such amounts were immaterial or did not affect the Group's ability to use its cash overall. For most issuers (80), enforcers did not expect missing disclosures because the annual reports consistently showed no restricted or unavailable cash balances and nothing indicated that any material portion of cash and cash equivalents was not fully accessible for use by the Group. Finally, **6% (8) of issuers** provided little to no such disclosures, as issuers provided, for example, only the restricted cash amount without describing its nature, or failed to clarify whether such balances should be treated as restricted cash.

Enforcers followed up with 26 issuers whose disclosures in one or more areas above were considered inadequate. This interaction led to four enforcement actions as well as to other measures. 11 examinations are ongoing.

The following issuers disclosed accounting policies regarding the classification of cash flows, in relation to:

	Interest	Dividends	Cash flows from leases	SFA	Other complex or infrequent transactions
Full disclosures	58% (74)	47% (60)	52% (67)	16% (21)	15% (20)
Partial disclosures	2% (3)	1% (1)	-	-	-
Missing disclosure	3% (4)	2% (3)	6% (7)	4% (5)	5% (6)
Missing disclosures, but immaterial	37% (48)	50% (65)	42% (55)	80% (103)	80% (103)

- **Full disclosures:** Issuers generally provided sufficiently clear and comprehensive accounting-policy disclosures around the classification of cash flows by consistently explaining how interest, dividends, lease-related payments, SFAs and other complex or infrequent transactions were classified as operating, investing, or financing activities; they typically presented separate line items for interest paid or received, clarified the split between principal and interest on lease payments in line with IFRS 16, classified dividends paid as financing and dividends received as investing or operating depending on their nature and, where relevant, described the treatment of SFA-related cash flows and other unusual transactions in dedicated notes, thereby enabling users to understand both the policy choices made and their consistent application in the Statement of Cash Flow.
- **Partial or no disclosures:** Issuers that provided only partial or no information generally failed to disclose clear accounting-policy choices for classifying cash flows related to interest, dividends, leases, supplier-finance arrangements and other complex or infrequent transactions; in many cases they omitted policy notes altogether, applied inconsistent or erroneous classifications (for example, misclassifying capitalised versus non-capitalised interest or not separating lease principal and interest), failed to explain how significant arrangements such as SFAs or factoring affected cash-flow presentation or provided disclosures so thin that enforcers had to request clarifications, highlight inconsistencies or note the absence of material policies despite the significance of related cash-flow items.

Enforcers followed up with 14 issuers whose disclosures in one or more areas above were considered inadequate. This interaction led to five enforcement actions as well as other measures. Six examinations are ongoing.

Enforcement actions in relation to this priority

8 actions ⁴⁵	<ul style="list-style-type: none"> • For five issuers, actions (corrections in future financial statements) were taken to ensure clearer covenant disclosures, enhanced explanations of “other” cash-flow items and fuller descriptions on the nature of restricted cash. • For three issuers, actions (corrective notes) were taken in relation to SFA disclosures, reclassification of long-term liabilities as current due to a covenant breach and restatement of misstated interest received/paid amounts in operating cash flows resulting from an incorrect calculation.
19 other measures ⁴⁶	<ul style="list-style-type: none"> • For 19 issuers, enforcers did not take an enforcement action but identified and communicated to the issuers areas of future improvement in disclosures, particularly in providing clearer, entity-specific information on covenants, SFA, restricted cash and cash-flow classifications and requesting improvements in gross presentation of financing cash flows or better explanations of lease-related cash flows.
26 ongoing exams	<ul style="list-style-type: none"> • 26 examinations in the sample considered for the liquidity considerations priority were still ongoing as of the publication date of this report. Considering this, certain potential compliance deficiencies observed during this ECEP assessment may be subject to additional enforcement actions.

⁴⁵ Actions pertaining to various accounting areas related to a given priority are considered as one action per issuer. Therefore, the total number of actions in relation to a priority does not correspond to the sum of individual actions mentioned in the orange boxes.

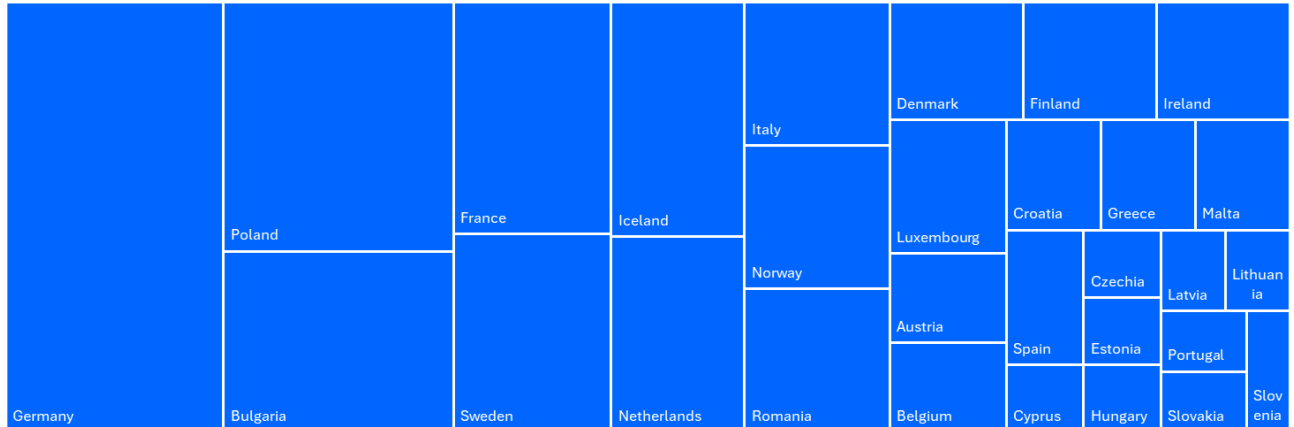
⁴⁶ Other measures include recommendations to improve financial reporting which are not related to material infringements encountered.

4.1.6.2 Accounting policies, judgements and significant estimates

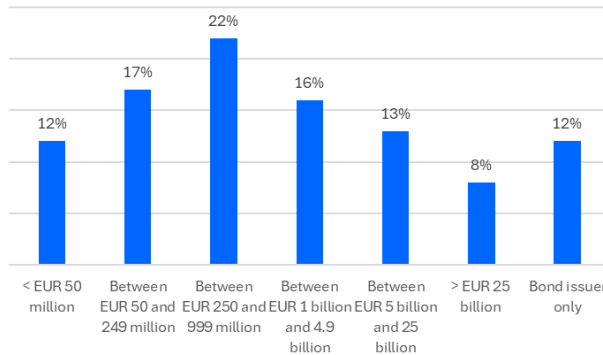
Assessment Sample

Enforcers assessed how issuers addressed in the financial statements the aspects related to accounting policies, judgements and significant estimates highlighted in the 2024 ECEP, based on a **sample of 106 issuers**. Information about the sector and market capitalisation of the issuers in the sample is presented in the graphs below.

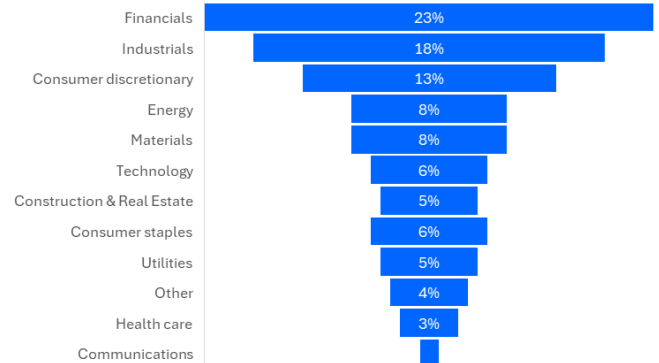
Country Composition of Sample for Priority 2



Market Capitalisation Breakdown



Sector Breakdown



Analysis of information provided

➔ General considerations [paragraphs 30A, 117B(d), 122, 125 of IAS 1]

- **87% (92) of issuers** in the sample provided disclosures on accounting policies, judgements and significant estimates that catered to the specificities and circumstances of the issuers. For the other **13% (14) of issuers**, enforcers determined that some of the disclosures were boilerplate because they largely repeated generic IFRS wording rather than providing entity-specific explanations, failing to detail how policies were applied in practice, omitting key judgements and estimation inputs and not tailoring disclosures on revenue, financial instruments, leases, impairment, control assessments or significant estimates to the issuer's actual transactions and risks.
- In **four instances**, enforcers cross-checked auditors' key audit matters (going concern, CGU impairments, inventory recoverability and control assessments) against management's disclosures of significant judgements and estimation uncertainty and flagged inconsistencies where high-judgement areas highlighted by the auditor were omitted, inadequately explained or contradicted by the issuer's own assumptions and measurements.
- In **five instances** across the sample, enforcers highlighted a clear disconnect between disclosures of significant judgements and estimation uncertainty, and major risks disclosed in other areas of the financial statements and the annual financial report (including business model and strategy, non-financial information). In these instances, risk explanations were inadequate, repeating generic IFRS language and/or omitting entity-specific judgements.

When presenting information on significant judgements or major sources of estimation uncertainty, issuers in the sample disclosed for the following accounting areas:

Nature of the assumption or other estimation uncertainty	Financial instruments	Impairment of non-financial assets	Income taxes and deferred tax assets/liabilities	Leases	Fair value measurement	Revenue measurement and recognition	Other relevant areas
Full disclosures	72% (77)	77% (82)	79% (84)	53% (56)	73% (78)	66% (70)	42% (45)
Partial disclosures	5% (5)	4% (4)	4% (4)	2% (2)	3% (3)	4% (4)	5% (5)
Missing disclosure	2% (2)	2% (2)	-	-	1% (1)	-	7% (7)
Not applicable/Immaterial	21% (22)	17% (18)	17% (18)	45% (48)	23% (24)	30% (32)	46% (49)

Across issuers, enforcers observed that disclosures about the nature of assumptions and estimation uncertainties varied: while the majority of issuers clearly explained the key inputs underlying areas such as expected credit losses, impairment models, deferred tax recoverability, lease-term judgments, fair-value techniques and revenue recognition, several issuers provided only high-level or generic statements, omitted critical assumptions (such as credit-risk definitions, impairment triggers, valuation inputs, sensitivity analyses) or scattered information across notes, leaving gaps in areas such as climate-related assumptions, pension and provision estimates, inventory valuation methods, control assessments and business-combination valuations.

Sensitivity of carrying amounts to underlying assumptions	Financial instruments	Impairment of non-financial assets	Income taxes and deferred tax assets/liabilities	Leases	Fair value measurement	Revenue measurement and recognition	Other relevant areas
Full disclosures	57% (61)	56% (60)	27% (29)	24% (25)	49% (52)	26% (28)	24% (26)
Partial disclosures	8% (8)	5% (5)	2% (2)	1% (1)	6% (6)	5% (5)	1% (1)
Missing disclosure	1% (1)	2% (2)	1% (1)	1% (1)	3% (3)	2% (2)	2% (2)
Not applicable/Immaterial	34% (36)	37% (39)	70% (74)	74% (79)	42% (45)	67% (71)	73% (77)

Enforcers identified better practices where issuers disclosed clear sensitivity information (for example, quantified ECL scenario analyses, sensitivity of impairment models to discount rates and growth assumptions and pension-related sensitivities). However, they also noted instances where such disclosures were missing, even though including them would help users to understand management's judgments and estimation uncertainties, or was specifically required by relevant IFRS standards (e.g. for fair-value measurements).

Expected resolution of the uncertainty and the range of possible outcomes next year	Financial instruments	Impairment of non-financial assets	Income taxes and deferred tax assets/liabilities	Leases	Fair value measurement	Revenue measurement and recognition	Other relevant areas
Full disclosures	30% (32)	30% (32)	23% (24)	16% (17)	33% (35)	21% (22)	11% (12)
Partial disclosures	8% (8)	6% (6)	3% (3)	2% (2)	5% (5)	5% (5)	-
Missing disclosure	1% (1)	1% (1)	-	-	3% (3)	1% (1)	1% (1)
Not applicable/Immaterial	61% (65)	63% (67)	74% (79)	82% (87)	59% (63)	73% (78)	88% (93)

Enforcers observed that, where relevant uncertainties existed, some issuers provided useful qualitative explanations of how future events or changes in key assumptions (such as probability of default/loss given default/ exposure at default in expected-credit-loss models, cash-flow and discount-rate inputs in impairment tests, or market-driven valuation factors for investment property) could affect carrying amounts within the next year; however, for other issuers, some disclosures

lacked a clear indication of when uncertainties might resolve or failed to outline a reasonable range of potential outcomes, leading to patchy, often high-level reporting that did not consistently articulate how sensitive outstanding balances were to near-term changes in assumptions.

Explanation of changes to prior assumptions if the uncertainty persists	Financial instruments	Impairment of non-financial assets	Income taxes and deferred tax assets/liabilities	Leases	Fair value measurement	Revenue measurement and recognition	Other relevant areas
Full disclosures	19% (20)	27% (29)	16% (107)	10% (10)	16% (17)	12% (13)	13% (14)
Partial disclosures	5% (5)	6% (6)	2% (2)	2% (2)	5% (5)	3% (3)	1% (1)
Missing disclosure	1% (1)	2% (2)	-	-	2% (2)	-	1% (1)
Not applicable/Immaterial	75% (80)	65% (69)	82% (87)	88% (94)	77% (82)	85% (90)	85% (90)

Where material and applicable, most issuers explained changes to past assumptions when reassessing areas such as impairment, credit-risk parameters or provisions, but a small percentage across each area failed to articulate why assumptions had shifted or how unresolved uncertainties were being re-evaluated. This resulted in disclosures that noted changes without providing the underlying rationale, leaving gaps particularly in areas like impairment models, fair-value measurement updates, contingent-liability assessments and other judgement-heavy estimates where users would reasonably expect an explanation of how revised expectations influenced current carrying amounts.

Enforcers followed up with 22 issuers whose disclosures in one or more areas above were considered inadequate. This interaction led to six enforcement actions as well as to other measures. 11 examinations are ongoing.

➔ **Control, joint control and significant influence [IAS 28, IFRS 10, IFRS 11]**

- **46% (49) of issuers** in the sample disclosed in detail their significant judgements (or changes to those) made to determine whether they controlled an entity or had significant influence over an investee, while an additional **7% (7) of issuers** made partial or no such disclosures (issuers stated conclusions about control or significant influence without explaining the underlying judgements, failing to show how significant influence was rebutted, not addressing clear indicators of de facto control or providing only high-level lists of structured entities without detailing why control, joint control or significant influence was deemed to exist or not). For the other **47% (50) of issuers** in the sample, the determination was either not applicable or enforcers concluded that no additional disclosures were needed because the issuers' ownership structures (clear majority of shares and voting rights), absence of minority interests and straightforward control situations meant there were no genuine judgement areas requiring further explanation.

Enforcers followed up with seven issuers whose disclosures were considered inadequate. This interaction led to six enforcement actions as well as other measures.

➔ **Revenue from contracts with customers [IFRS 15, in particular, paragraphs 56, 57, 66 – 69, 84, 87, B34 – B38]**

This section includes findings on **91 issuers**.

- **41% of issuers (37)** held long-term contracts with customers where the fulfilment of corresponding obligations extends over several accounting periods. Among these issuers:
 - **54% (20) of issuers** provided detailed disclosures regarding their significant judgements (or changes to them) made in relation to their assessment of whether their long-term contracts meet the definition of a contract with a customer, describing factors such as lack of alternative use, legal right to payment and recognition over time. The judgements provided were adequate to understand how control transferred and performance obligations were satisfied. **11% (4) of issuers** provided limited or no such disclosures, respectively. For **35% (13) of issuers**, enforcers found no further disclosure necessary because the issuers' contracts involved no significant judgement or complexity and the existing revenue-policy disclosures already allowed users to understand the basis for recognition without requiring additional explanation.

Enforcers followed up with four issuers whose disclosures were considered inadequate. This interaction led to one enforcement action as well as to other measures. Two examinations are ongoing.

- **25% (23) of issuers** included a variable consideration in a transaction price, which commonly arose from earn-out clauses, guaranteed rent, volume-based rebates, promotional discounts or price adjustments linked to market indices (for instance, oil and gas prices), all of which required estimation of future discounts or contingent payments when determining the transaction price. The other **75% (68) of issuers** did not include a variable consideration in the transaction price. Among the 23 issuers that included a variable consideration in a transaction price:
 - The majority (**83%, 19) of issuers** explained how they estimated the amount of variable consideration, by applying either the expected value or most-likely amount method, using historical experience, estimated sales volumes and known contract terms to accrue expected rebates, discounts or refunds. **Two additional issuers** provided little to no such explanation. For the **other two issuers**, enforcers accepted limited explanations because the issuers' policy aligned with IFRS 15, the variable-consideration component was small and thus the disclosure was proportionate to the transaction's materiality.
 - **66% (15) of issuers** explained how they assessed whether an estimate of variable consideration is constrained, while **17% (4) of issuers** provided little to no such explanation, failing to explain the qualitative and quantitative factors used to assess the risk of revenue reversal and offering no insight into how the constraint on variable consideration was evaluated beyond merely stating that it was applied. For the other **17% (4) of issuers**, enforcers determined no further disclosure was required because the issuer's variable-consideration estimates were straightforward, based on historical experience and sales volumes.
- **46% (42) of issuers** explained the methods used to measure the progress towards complete satisfaction of a performance obligation to provide a faithful depiction of the transfer of goods or services (where revenue needs to be recognised over time). These explanations included the use of methods such as cost-to-cost, time-based, output-based, right-to-invoice approaches, proportional recognition over the contract period or stage-of-completion assessments. In most cases disclosures provided clearly explained why revenue was recognised over time (for example, continuous transfer of benefits, simultaneous consumption or contractual rights to invoice), thereby demonstrating an appropriately detailed and method-specific application of IFRS 15. **4% (4) of issuers** provided little to no such explanation, for example not describing the underlying method for measuring progress or the qualitative basis for determining how performance obligations were satisfied. For the remaining half of the sample (**50%, 45 issuers**), either revenue was not recognised over time or enforcers determined that no further disclosure was needed due to its materiality.

Enforcers followed up with six issuers whose disclosures in one or more areas above were considered inadequate. This interaction led to two enforcement actions as well as to other measures. Three examinations are ongoing.

- **18% (16) of issuers** recognised and measured a present obligation arising from onerous contracts with customers as a provision, providing detailed information on the onerous contracts including uncertainties about the amount and timing of the outflows of economic benefits and major assumptions used. Conversely, **82% (75) of issuers** had identified no such contracts or only immaterial related obligations; enforcers accepted the absence of disclosure as appropriate since nothing in the financial statements, business model, accrued balances or management assessments indicated exposure to loss-making contracts or missing material information.
- **34% (31) of issuers** involved a third-party in the intermediation of the sales of goods or providing services to a customer. These often related to external suppliers, platforms, system operators, distributors, franchisees, dealerships or partners to deliver goods or services to the customer (sometimes with the issuer acting as agent and sometimes as principal) resulting in intermediary arrangements where the third party performed part of the fulfilment.
- **25% (23) of issuers** disclosed with sufficient detail the significant judgements used in the assessment of whether issuers act as principal or agent of the other party. Principal-agent judgements included, on one hand, policy changes, specific intermediary scenarios or on the other hand, information that the transactions concerned were straightforward and thus the information disclosed appropriate and sufficient. **6% (5) of issuers** provided only partial or no such disclosures, relying on generic, boilerplate descriptions of revenue recognition, or providing limited explanations of the judgements behind their principal-agent assessments (including past policy changes). Finally, for **69% (63) of issuers**, enforcers determined that no disclosures were missing because the issuers' business models and revenue streams showed no involvement of third parties, no principal-agent features or intermediary arrangements were not material, making additional principal-agent judgement disclosures unnecessary.

Enforcers followed up five issuers whose disclosures in one or more areas above were considered inadequate. This led to one enforcement actions as well as to other measures. One examination is ongoing.

- **33% (30) of issuers** disclosed both qualitative and quantitative information regarding the timing and amount of revenue expected to be recognised for its backlog (for example, qualitative descriptions of future expected revenues and remaining performance obligations together with quantitative breakdowns of transaction prices or contract liabilities over time), while **2% and 3% of issuers** provided only quantitative or only qualitative disclosures,

respectively. An additional **5% of issuers** provided minimal or no such disclosure, missing details on the timing and settlement of remaining performance obligations, missing quantitative time-band breakdowns, or qualitative explanations of fulfilment periods. For **57% (51) of issuers**, enforcers found no missing disclosures either because no material backlogs existed or IFRS 15.121 practical expedients were applied, making detailed remaining performance-obligation disclosures unnecessary.

- **59% (54) of issuers** provided detailed information with respect to significant judgements used when determining revenue estimates, clearly describing underlying judgements and assumptions (for example, loyalty programmes, variable consideration, timing criteria). **6% (5) of issuers** provided limited or no such disclosures, failing to explicitly identify or structure significant judgements. For **35% (32) of issuers**, enforcers deemed that no disclosures were missing because the issuers' revenue streams included fixed or straightforward consideration, no significant estimates or complex judgements were needed, backlogs were non-existent, or the issuers' accounting policies clearly allowed users of the financial statements to understand the basis for revenue recognition without further disclosures.

Enforcers followed up with 10 issuers whose disclosures in one or more areas above were considered inadequate. This led to three enforcement actions as well as to other measures. Five examinations are ongoing.

- **11% (10) of issuers** provided full quantitative reconciliations between the opening and closing balances of the backlog, presenting issued invoices, deferred and accrued income, contract changes and revenue recognised. In some cases, issuers also disclosed movement schedules or detailed roll-forwards of remaining performance obligations.

Enforcement actions in relation to this priority

8 actions ⁴⁷	<ul style="list-style-type: none"> • For four issuers, actions (corrections in future financial statements) were taken in relation to disclosures related to IAS 36 impairment (including sensitivities), principal-agent and joint-venture judgements and IFRS 15-required information on significant long-term performance obligations. • For four issuers, actions (corrective notes) were taken in relation to disclosures on significant judgements, particularly those related to assessing control or significant influence over investees.
7 other measures ⁴⁸	<ul style="list-style-type: none"> • For seven issuers, enforcers did not take an enforcement action as it did not evidence an infringement but identified and communicated to the issuers areas of future improvement in disclosures around accounting policies, significant judgements, refinancing details, influence assessments and co-investment revenue recognition.
25 ongoing exams	<ul style="list-style-type: none"> • 25 examinations in the sample considered for this priority were still ongoing as of the publication date of this report. Considering this, certain potential compliance deficiencies observed during this ECEP assessment may be subject to potential additional enforcement action.

⁴⁷ Actions pertaining to various accounting areas related to a given priority are considered as one action per issuer. Therefore, the total number of actions in relation to a priority does not correspond to the sum of individual actions mentioned in the orange boxes.

⁴⁸ Other measures include recommendations to improve financial reporting which are not related to material infringements encountered.

4.2 Annex II: Sustainability reporting

4.2.1 Number of issuers publishing sustainability statements per EEA country

The table below lists the number of issuers within the scope of enforcement activities for the purpose of Article 19a or Article 29a of the Accounting Directive*:

Country	Individual sustainability statements		Consolidated sustainability statements		Total	
	2024	2025	2024	2025	2024	2025
Austria	-	-	63	60	63	60
Belgium	-	-	54	53	54**	53
Bulgaria	5	4	28	28	33	32
Croatia	2	1	38	38	40	39
Cyprus	1	1	13	12	14	13
Czechia	-	-	9	11	9	11
Denmark	:	0	:	43	133	43***
Estonia	-	-	10	12	10	12
Finland	-	-	92	89	92	89
France	-	-	232	223	232	223
Germany	36	36	236	232	272	268
Greece	2	3	38	43	40	46
Hungary	-	-	20	20	20**	20
Iceland	:	:	:	:	49	52
Ireland	:	-	:	12	:	12
Italy	-	-	169	142	169	142
Latvia	-	-	5	4	5	4
Lithuania	2	2	12	11	14	13
Luxembourg	-	-	38	31	38	31
Malta	-	-	11	11	11	11
Netherlands	-	-	74	86	74	86
Norway	2	2	89	100	91	102
Poland	10	10	124	122	134**	132
Portugal	5	4	27	26	32	30
Romania	9	8	28	28	37	36
Slovak Republic	6	4	14	12	20	16
Slovenia	2	1	11	10	13	11
Spain	-	-	97	98	97	98
Sweden	-	1	296	298	296	299
TOTAL	82	77	1,828	1,855	2,092	1,984

: indicates data not available.

* Some enforcers distinguished issuers into those that published individual and consolidated sustainability statements on a best effort basis, notably for 2025.

** The 2024 value differs from the corresponding figure presented in the 2024 edition of this report as it has been updated by the respective enforcer post-publication.

*** The 2025 Danish number of issuers takes account of the executive orders issued in February 2026 which exempt Wave 1 issuers that will be scoped out by the Omnibus Directive from reporting in 2026 (financial year 2025).

4.2.2 2024 ECEP Assessment: Sustainability Reporting

4.2.2.1 Materiality considerations in reporting under ESRS

As part of a 2025 fact-finding exercise, ESMA assessed how **91 listed issuers** applied the concept of materiality in their first sustainability statements under ESRS Set 1 (covering financial year 2024). The findings revealed that 60% of issuers disclosed satisfactory information on their double materiality assessment process, with adequate disclosures on thresholds, input parameters or stakeholders' engagement for a large majority of issuers. In many cases, however, the process disclosures were found boilerplate by the enforcers, with little information on how the issuer had adapted the required or suggested steps to their own considerations, and some missing information at topical level. Almost 90% of the sample provided a description of their identified impacts, risks and opportunities (IROs), many of which could be mapped to the ESRS sustainability matters. Enforcers however found cases where a different terminology than that of ESRS was used, making it more difficult to reconcile the disclosed IROs with the ESRS sustainability matters and to identify the related topical disclosures. A vast majority of issuers disclosed the list of ESRS disclosure requirements complied with (90%), and the list of datapoints derived from other EU legislation (85%), although, for the latter, only 70% reported complete information. The detailed results of the fact-finding are available in the summary already published by ESMA in October 2025⁴⁹.

The enforcers reported on their actions and other measures in relation to materiality considerations in reporting under ESRS at a later stage, with a few modifications to the assessment of a limited number of issuers, which do not significantly modify the earlier results of the fact-finding exercise.

Enforcement actions in relation to this priority

8 actions	<ul style="list-style-type: none"> • For 8 issuers, enforcers took enforcement actions in relation to materiality considerations in reporting under ESRS. The actions related to the materiality assessment process disclosures (absence of topical disclosures, unclear description of the stakeholders' consultation), to the list of ESRS disclosures (missing or incomplete) or to the disclosure of targets. In all cases, the actions were corrections in the future sustainability statement.
7 other measures	<ul style="list-style-type: none"> • For 7 issuers, enforcers did not take an enforcement action but identified and communicated areas of future improvement to the issuers.
18 ongoing exams	<ul style="list-style-type: none"> • For 18 issuers of the sample considered for the 2024 ECEP on disclosures relating to materiality, examinations were still ongoing as of 31 December 2025. Considering this, certain potential compliance deficiencies observed during this ECEP assessment may be subject to potential additional enforcement action.

⁴⁹ [ESMA32-846262651-5288](#) *Materiality matters (!) Results of a fact-finding exercise on 2024 corporate reporting practices under ESRS Set 1*, 14 October 2025.

4.2.2.2 Scope and structure of the sustainability statement

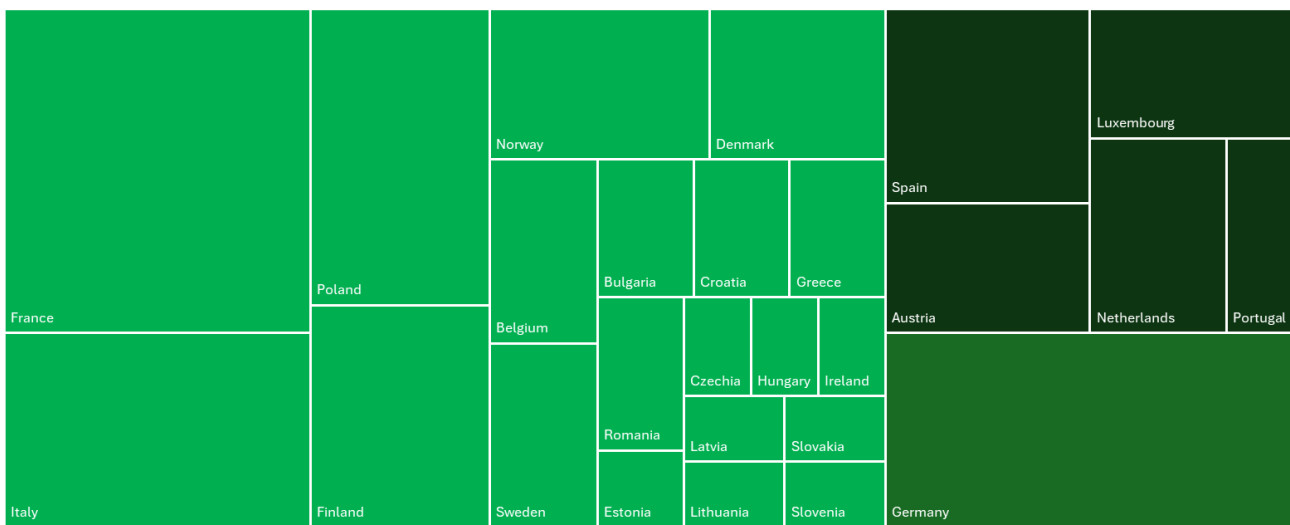
Assessment Sample

Enforcers assessed how issuers addressed the aspects related to the scope and structure of the sustainability statement highlighted in the 2024 ECEP, based on a **sample of 101 issuers**. Information about the country composition by enforcement powers type, sector and market capitalisation of the issuers in the sample is presented in the graphs below.

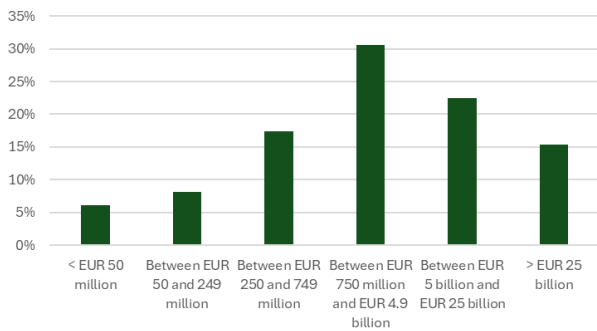
63% (64) of the issuers reported under the ESRS following national transposition of the CSRD, while 37% (37) [operating in Member States where the NFRD still applies] voluntarily reported under the ESRS.

Country Composition of Sample for Priority 2, by enforcement powers type

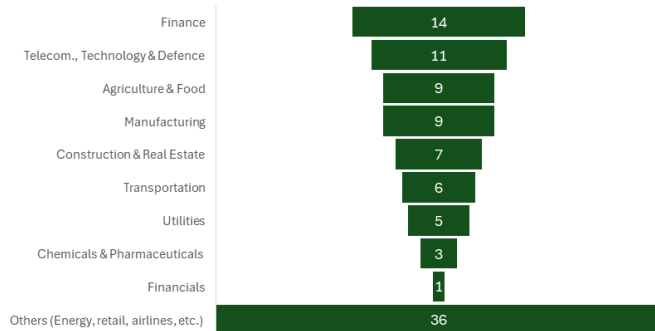
■ CSRD - Check existence of the sustainability statement and verify its content
 ■ NFRD - Check existence of the non-financial statement
■ NFRD - Check existence of the non-financial statement and verify its content



Market Capitalisation Breakdown



Sector Breakdown



Analysis of information provided
Consolidation

All but one issuer in the sample presented consolidated sustainability statements examined for the purposes of 2024 ECEP, with 90% (91) of these issuers confirming that they prepared the sustainability statement for the same scope as that of the financial statements. The remaining 10% (10) of issuers cited recent acquisitions not yet integrated, partial reporting for specific topics or entities, inclusion of subsidiaries excluded from financial consolidation and scope limitations (e.g. non-productive facilities or related companies) as reasons for partial or non-alignment between the sustainability and financial reporting scopes.

Structure

86% (87) of issuers in the sample disclosed their sustainability statement in accordance with the structure prescribed in Section 8 of ESRS 1 and illustrated in Appendix D, and **71% (72) of issuers** applied the non-binding detailed structure provided in ESRS 1, Appendix F. Enforcers found that in some instances, the sustainability statement was not clearly divided into the four required sections, or issuers used custom structures instead of the standard topical breakdown (e.g. E1, E2, S1...). In other cases, ESRS 2 general disclosures (such as IRO-1) were placed in topical or standalone sections rather than in their designated locations; taxonomy-related information was positioned outside the designated environmental section, or the lists of ESRS datapoints and datapoints from other EU legislation were placed in an appendix.

Incorporation by reference

73% (74) of issuers in the sample made use of incorporation by reference by directing readers to other parts of the annual report (such as the financial statements, corporate governance report) or website for specific disclosure requirements, and in many cases provided cross-references or dedicated tables listing which ESRS datapoints were addressed elsewhere. Among these issuers:

- **73% (54) issuers** complied with the ESRS requirements regarding incorporation by reference.
- **14% (10) issuers** did not comply with the ESRS requirements regarding incorporation by reference mainly because they did not clearly identify or label the referenced information as fulfilling specific ESRS disclosure requirements, provided vague references without exact hyperlinks or page numbers and directed users to documents such as the Board of Directors' report or other sections of the annual report that were not subject to the same assurance level; in several cases, the information was not presented as a distinct element, was embedded within broader narratives or was impossible for enforcers to verify, and issuers also failed to provide the required list of incorporated items or certification of compliance with ESRS 1, paragraph 120.

For 3 issuers who made use of incorporation by reference, enforcers identified situations where the use of incorporation by reference impaired the overall cohesiveness and readability of the sustainability statement, notably when hyperlinks were broken or led to non-existent webpages, when large portions of governance and strategy, business model and value chain sections were redirected to broad sections of the Board of Directors' report spanning multiple pages and when references to other reports (such as the consolidated management report) did not align with the sections indicated by the issuer, making required disclosures difficult to locate. These issues, combined with inconsistent referencing practices, created fragmentation and hindered users' ability to follow the sustainability narrative.

Connectivity

35% (35) issuers in the sample provided full information to enable an understanding of the connections to other parts of the issuers' corporate reporting. On the other hand, **21% (21) of issuers** engendered only partial connectivity because cross-references were often incomplete, non-specific or missing altogether, with many references pointing to broad financial statement notes that did not isolate sustainability-related CapEx, OpEx, financial effects or resources required under ESRS. In other cases, issuers stated that no significant financial effects or dedicated resources existed and therefore did not reference the financial statements, while in others they disclosed financial impacts without linking them to the corresponding accounting figures. Taxonomy disclosures sometimes included clearer reconciliation, but outside of Taxonomy issuers rarely provided page numbers, explicit datapoint identification or quantitative linkages, and in some cases the financial statements themselves did not contain the information implied in the sustainability report, resulting in fragmented, inconsistent and only partially connected reporting.

Furthermore, **29% (29) of issuers** made no such disclosure, while for **16% (16) of issuers**, enforcers found no real connectivity because, although some financial information appeared in the sustainability statements, it was not linked back to the financial statements. In many cases issuers either disclosed no current financial effects or had no action plans requiring significant CapEx or OpEx. References, when provided, were generic, incomplete or limited to taxonomy disclosures, with missing

cross-references, mismatched figures or unclear indications of whether impacts were current or anticipated. Several issuers relied solely on qualitative descriptions of risks and opportunities and stated that no material financial impacts existed, while others disclosed CapEx or OpEx amounts without connecting them to the financial statements. As a result, enforcers concluded that the disclosures did not provide the required linkage between sustainability information and the financial statements, leading to no or only very limited connectivity.

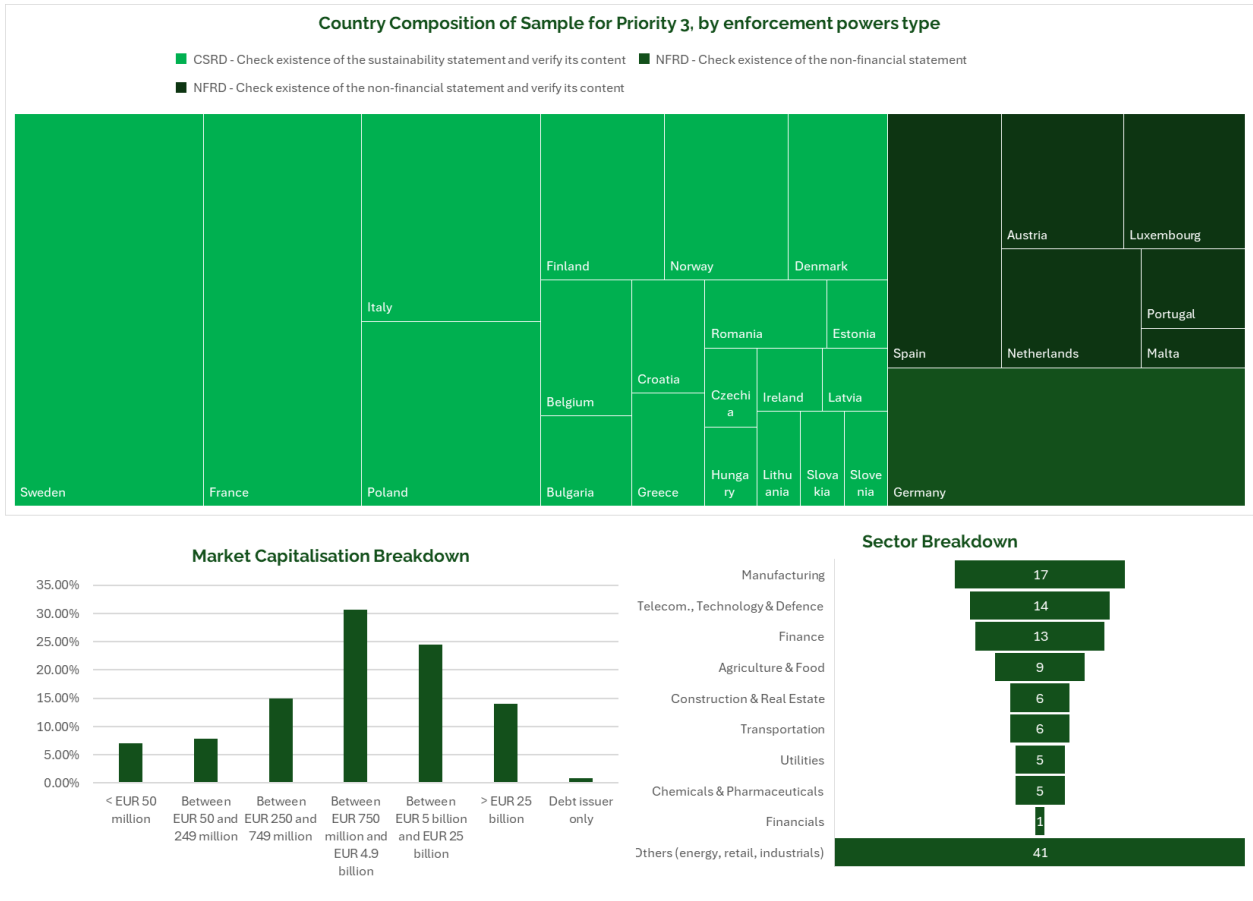
Enforcement actions in relation to this priority

<p>4 actions</p>	<ul style="list-style-type: none"> • For 4 issuers, enforcers took enforcement actions in relation to scope and structure of the sustainability statement. The actions related to the structure of the sustainability statement, the scope, when not aligned with the scope of the financial statement, or to missing disclosures or reconciliation issues between financial reporting and sustainability reporting. In all cases, the actions were corrections in the future sustainability statement.
<p>3 other measures</p>	<ul style="list-style-type: none"> • For 3 issuers, enforcers did not take an enforcement action but identified and communicated areas of future improvement to the issuers.
<p>18 ongoing exams</p>	<ul style="list-style-type: none"> • For 18 issuers of the sample considered for the 2024 ECEP on disclosures relating to scope and structure of the sustainability statement, examinations were still ongoing as of 31 December 2025. Considering this, certain potential compliance deficiencies observed during this ECEP assessment may be subject to potential additional enforcement action.

4.2.2.3 Disclosures relating to Article 8 of the Taxonomy Regulation

Assessment Sample

Enforcers assessed how issuers addressed the Article 8 Taxonomy Regulation disclosure aspects highlighted in the 2024 ECEP, based on a **sample of 117 issuers**. The sector and market capitalisation breakdown of this sample is shown in the graphs below.



Analysis of information provided

Transition plan disclosure	<p>24% (28) of issuers provided explanations in their ESRS E1-1 transition plan disclosures which showed consistency with any objective or plans reported for the alignment of activities with the Taxonomy criteria. In this respect, issuers clearly linked their transition-plan investments and decarbonisation actions to the EU Taxonomy by explaining the absence or presence of eligible activities, cross-referencing CapEx and OpEx to Taxonomy KPIs where relevant and showing how strategic projects and financial allocations align with climate-mitigation criteria and the disclosures in their Taxonomy reporting.</p> <p>For 7% (8 issuers) of the sample, the enforcer either found inconsistencies between the Taxonomy and transition plan disclosures, or the information provided by issuers was insufficient or difficult to identify (key activities are out of scope, alignment work is deferred to an undefined future, fragmented and incomplete assessments for eligible activities, unclear explanations or objectives in referenced sections).</p> <p>For 20% (23) of issuers, no information was given under E1-1 despite the existence of Taxonomy objectives because issuers did not disclose targets or a transition plan under the ESRS or explained that they did not yet have timelines / evidence systems in place for aligning their activities with the Taxonomy.</p> <p>For 40% (46) of issuers, there was no information under E1-1 and no Taxonomy objectives because the issuers explained that they had not yet developed a transition plan, lacked the necessary data, methodologies, evidence systems or sectoral frameworks to set Taxonomy-related objectives, and therefore postponed alignment work to future years.</p>
Multiple environmental objectives	<p>87% (102) of the sample is constituted of issuers that are non-financial undertakings. Of these:</p> <ul style="list-style-type: none"> • 45% (46) of these issuers reported several economic activities as eligible under multiple environmental objectives, such as climate change mitigation, climate change adaptation and, in some cases, circular economy. • 19% (19) of these issuers also reported economic activities aligned with multiple environmental objectives.
Turnover and CapEx KPIs	<p>Among 111 issuers in the sample:</p> <ul style="list-style-type: none"> • 71% (79) of issuers made references to the financial statements and their notes in relation to elements included in both the turnover and CapEx KPIs, while 3% and 9% of issuers made references only for the CapEx KPI and turnover KPI, respectively.
Voluntary disclosures of estimates and consolidated group-level KPI	<p>Among the 15 issuers in the sample that are financial institutions, only 4 issuers made voluntary disclosures of estimates of Taxonomy alignment of exposures.</p> <p>Among the 9 issuers in the sample that are the parent undertaking of a financial conglomerate with different types of activities, 6 issuers disclosed a consolidated group-level KPI, while 1 additional issuer had a consolidated KPI that is only partial because the issuer calculated a weighted average that did not follow the prescribed business-segment basis and failed to provide the required breakdown of turnover- and CapEx-based KPIs across environmental objectives and eligibility / alignment categories.</p>

Enforcement actions in relation to this priority

4 actions	<ul style="list-style-type: none"> • For 4 issuers, enforcers took an enforcement action in relation to Article 8 of the Taxonomy Regulation disclosures. The actions related to the missing or partial referencing of the financial statement disclosures. In all cases, the actions were corrections in the future sustainability statement.
3 other measures	<ul style="list-style-type: none"> • For 3 issuers, enforcers did not take an enforcement action but identified and communicated areas of future improvement to the issuers.
18 ongoing exams	<ul style="list-style-type: none"> • For 18 issuers of the sample considered for the 2024 ECEP on disclosures relating to Taxonomy Regulation Article 8, examinations were still ongoing as of 31 December 2025. Considering this, certain potential compliance deficiencies observed during this ECEP assessment may be subject to potential additional enforcement action.

4.3 Annex III: ESEF reporting

4.3.1 Number of issuers submitting AFRs in ESEF per EEA country

Country	Issuers of equity, bonds, securitised debt and other securities incorporated in the European Economic Area (EEA), preparing AFRs containing IFRS consolidated financial statements		Issuers incorporated in a third country preparing AFRs containing IFRS consolidated financial statements		Total issuers filing ESEF reports in iXBRL (with markups)		Total other issuers preparing AFRs in xHTML format only (no markups)	
	2024	2025	2024	2025	2024	2025	2024	2025
Austria	75	70	1	-	76	70	11	10
Belgium	95	94	3	3	98	97	13	13
Bulgaria	130	124	-	-	130	124	153	168
Croatia	60	60	-	-	60	60	-	-
Cyprus	49	46	-	-	49	46	13	13
Czechia	27	27	-	-	27	27	51	51
Denmark	91*	105	8*	5	99*	110	-	-
Estonia	25	26	-	-	25	26	7	8
Finland	132*	129	-	-	132*	129	-*	-
France	298*	300	7*	8	305*	308	37*	40
Germany	350	333	4	5	354	338	17	10
Greece	104	106	1	2	105	108	28	25
Hungary	39	41	-	-	39	41	14	14
Iceland	19	22	3	3	22	25	14	14
Ireland	22	19	4	1	26	20	57	61
Italy	194	184	-	-	194	184	7	6
Latvia	9	10	-	-	9	10	7	8
Lithuania	23	24	-	-	23	24	5	5
Luxembourg	54	47	6	6	60	53	60	53
Malta	53	54	-	-	53	54	34	35
Netherlands	111	110	17	17	128	127	30	27
Norway	205	191	16	14	221	205	29	27
Poland	282	271	3	3	285	274	95	93
Portugal	38*	36	-	-	38*	36	2*	2
Romania	54	51	-	-	54	51	41	45
Slovak Republic	14	12	-	-	14	12	65	62
Slovenia	15	13	-	-	15	13	4	4
Spain	124	121	-	-	124	121	5	5
Sweden	371	371	8	8	379	379	16*	16
TOTAL	3,063	2,997	81	75	3,144	3,072	815	815

* The figure differs from the corresponding figure in the 2024 report as it has been updated by the respective NCA post-publication.

In addition, in 2025 there were 50 (2024: 46) issuers preparing non-consolidated IFRS financial statements with the ESEF format (iXBRL markups being provided on a voluntary basis). Given the voluntary nature of the markups in such filings, these were excluded from the calculation of ratios in this report.

4.3.2 Number of examinations AFRs in ESEF per EEA country

Country	Filing Exams					Markup Exams (iXBRL AFRs only)		
	Total Filing Exam.	Issuers preparing iXBRL format AFRs, with markups		Issuers preparing XHTML-only format AFRs, no markups		Total Markup Exam.	Desktop	Interactive
		Desktop	Interactive	Desktop	Interactive			
Austria	84	73	-	11	-	24	24	-
Belgium	110	88	9	11	2	10	-	10
Bulgaria	292	124	-	168	-	124	124	-
Croatia	4	-	4	-	-	4	-	4
Cyprus	51	40	-	11	-	16	16	-
Czechia	78	27	-	51	-	-	-	-
Denmark	5	4	1	-	-	5	4	1
Estonia	3	-	3	-	-	3	-	3
Finland	-	-	-	-	-	-	-	-
France	328	297	-	31	-	60	36	24
Germany	350	340	-	10	-	33	-	33
Greece	136	110	-	26	-	-	-	-
Hungary	55	40	1	13	1	5	4	1
Iceland	-	-	-	-	-	-	-	-
Ireland	80	23	1	52	4	2	-	2
Italy	198	165	26	5	2	38	31	7
Latvia	18	10	-	8	-	10	10	-
Lithuania	30	25	-	5	-	1	-	1
Luxembourg	102	37	13	52	-	15	14	1
Malta	26	11	5	10	-	5	-	5
Netherlands	157	128	-	29	-	16	10	6
Norway	237	209	2	24	2	-	-	-
Poland	380	282	3	92	3	21	17	4
Portugal	40	38	-	2	-	36	36	-
Romania	17	-	9	-	8	-	-	-
Slovak Republic	15	5	-	10	-	-	-	-
Slovenia	17	13	-	4	-	13	12	1
Spain	129	107	17	5	-	124	106	18
Sweden	53	32	16	5	-	48	32	16
TOTAL	2,995	2,228	110	635	22	613	476	137

4.3.3 Number of issuers filing an ESEF AFR for which action was taken per EEA country

The table captures how many issuers were subject to enforcement action in 2025, counting only the most severe action per issuer and noting that enforcers also issued numerous non-formal measures to improve ESEF data quality; however, comparability remains limited because the use and availability of actions differ across EEA jurisdictions, with some actions either not applied or not permitted under national law.

Country	Actions on Filing examinations			Actions on Markup examinations (iXBRL format AFRs only)
	Total Filing Exam Actions ⁵⁰	XHTML-only format AFRs, no markups	iXBRL format AFRs, with markups	
Austria	9	-	9	15
Belgium	8	1	7	10
Bulgaria	9	6	3	-
Croatia	-	-	-	-
Cyprus	1	1	-	-
Czechia	-	-	-	-
Denmark	-	-	-	-
Estonia	-	-	-	-
Finland	-	-	-	-
France	88	28	60 ⁵¹	14
Germany	-	-	-	3
Greece	-	-	-	-
Hungary	2	1	1	1
Iceland	-	-	-	-
Ireland	2	2	-	-
Italy	28	2	26	8
Latvia	-	-	-	-
Lithuania	-	-	-	-
Luxembourg	12	-	12	-
Malta	2	2	-	4
Netherlands	77	3	74	6
Norway	3	2	1	-
Poland	16	5	11	1
Portugal	-	-	-	-
Romania	3	1	2	-
Slovak Republic	-	-	-	-
Slovenia	2	1	1	1
Spain	3	-	3	13
Sweden	1	1	-	4
TOTAL	266	56	210	80

⁵⁰ The majority of enforcement actions with respect to filing examinations related to the late publication of the ESEF AFR and to whether the entire annual financial report was provided in XHTML format or not (see [section 2.1.1 Filing Examinations](#)).

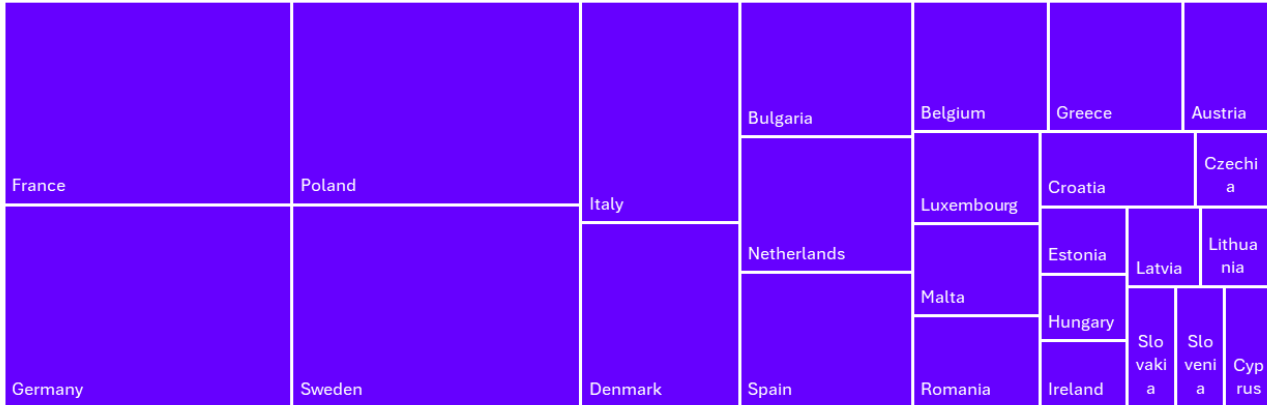
⁵¹ In 2025, the AMF required an additional 60 re-submissions - actions not reflected in the filing examination figures presented above – which occurred due to non-compliant content related to CSRD attestations in AFRs. As these actions arose from a first time CSRD reporting irregularity not observed across all jurisdictions, they were not included in the total action count for filing examinations. This approach helps preserve comparability with other jurisdictions that had not yet transposed the CSRD requirements into national legislation for the 2025 enforcement cycle.

4.3.4 2024 ECEP Assessment: ESEF Reporting

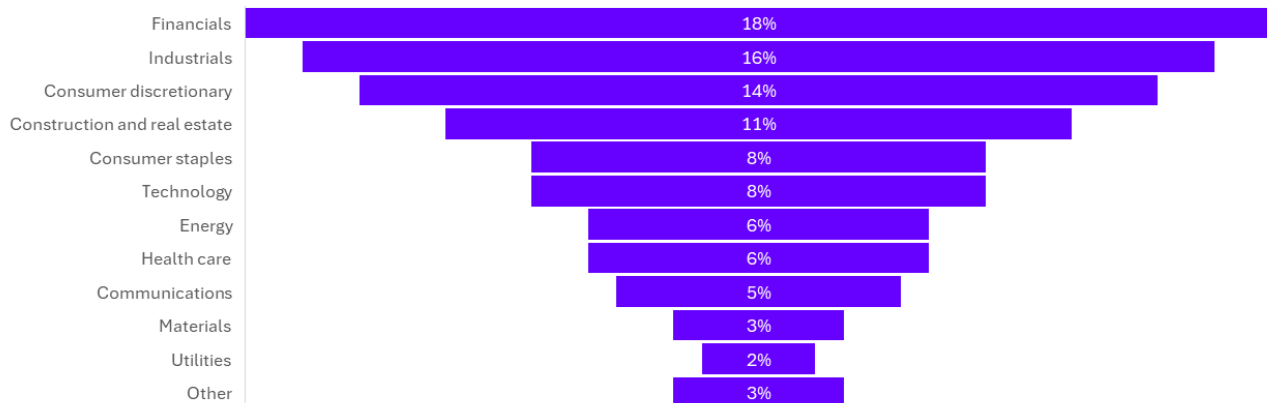
Assessment Sample

Enforcers assessed how issuers addressed the 2024 ECEP based on a **sample of 88 issuers**. Information about the country and sector of the issuers in the sample is presented in the graphs below.

Country Composition of ESEF ECEP Sample



Sector Breakdown



Analysis of information provided

ESMA and national enforcers positively note that most issuers in the targeted sample have taken on board the messages set out in the 2024 ECEP. In a minority of cases, enforcers nevertheless continued to identify instances of inconsistencies and errors. The findings from those cases are presented here to highlight the areas where issuers should remain particularly vigilant when preparing their ESEF filings, focusing not necessarily on the specific markups identified here, but rather on the broader tagging practices essential to ensuring consistency, accuracy and faithful representation.

➔ Markups (Correctness, Consistency, Completeness)

Correctness

For **12 issuers**, enforcers found mismatches between chosen IFRS markups and the actual disclosures in the statement of financial position.

- Issuers used markups that were too broad, outdated or meant for different reporting scopes.
- Dimensions were sometimes misapplied (i.e., related-party axes used on items with no related-party connection).
- Some filings showed inconsistencies between the human-readable and XBRL layers, as well as missing mandatory markups.

Watch out for similar errors:


- Issuers must avoid marking up the same concept with the same taxonomy element when the underlying values differ, unless there is a documented accounting explanation (Example: one issuer marked up “Retained earnings” with *RetainedEarnings* in two places but reported two different amounts without justification).
- Core IFRS taxonomy elements must be selected according to the actual composition of line items (Example: marking up an element containing goodwill and other intangibles using *IntangibleAssetsOtherThanGoodwill* is incorrect; the proper element *IntangibleAssetsAndGoodwill* should have been used instead)
- Dimensions must not be applied where they are irrelevant (Example: one issuer used the “Categories of related parties [axis]” for every balance-sheet line item, despite no related-party context).
- Taxonomy versions matter: issuers should not use outdated or deprecated ESEF elements.
- Markups must reflect the narrowest accounting meaning (Example: for both “Other receivables” and “Other payables,” issuers incorrectly used broader “Trade and other...” elements instead of the more precise *OtherCurrentReceivables* and *OtherCurrentPayables* concepts).
- But! Issuers must avoid overly narrow markups when unnecessary. (Example: issuer used *CurrentTaxAssetsCurrent* or *CurrentTaxLiabilitiesCurrent* even when no non-current portion existed, where broader elements (*CurrentTaxAssets* and *CurrentTaxLiabilities*) were appropriate).
- Issuers must carefully distinguish between fair value measurement categories. (Example: some issuers tagged financial assets measured at fair value through OCI (FVOCI) using fair value through profit or loss elements and tagged FVOCI reserves with inappropriate OCI categories).
- Equity-related markups must reflect the structure of the statement (Example: one issuer mis-tagged “Total equity excluding non-controlling interests” using *OtherEquityInterest* instead of creating a custom extension).

Consistency

For **10 issuers**, enforcers found mismatches between the markups used in the statement of financial position and the markups applied in the related disclosure notes:

- Broader or inappropriate elements were often applied on the face of the primary financial statement, while the notes used narrower, more accurate elements.
- Several notes were marked up with disclosure or accounting-policy elements that did not correspond to their actual content.
- Some issuers used multiple or conflicting markups for the same note or markups tied to the wrong measurement basis.

Watch out for similar errors:


- Using a broader markup on the primary financial statement item than on the note (Example: Marking up “Other receivables” with *TradeAndOtherCurrentReceivables* on the face of the statement, while the related note is marked up only with elements for other receivables (excluding trade receivables).
- Using accounting-policy markups instead of explanatory-note markups, or vice versa (Example: Marking up a note about treasury shares using *DescriptionOfAccountingPolicyForFinancialAssets*, instead of the correct *DisclosureOfTreasuryShares* element).
- Using markups tied to the wrong measurement category (Example: Marking up financial assets measured at fair value through OCI with the text-block markup *DisclosureOfFinancialAssetsHeldForTrading*, which applies to entirely different instruments).
- Multi-tagging notes unnecessarily with irrelevant accounting-policy elements (Example: Marking up the inventories policy note using also *DescriptionOfAccountingPolicyForImpairmentOfNonfinancialAssets*, which does not correspond to the underlying disclosure).

Completeness

For **5 issuers**, there were numbers reported in a declared currency present in the statement of financial position that were not marked up. Additionally, for **6 issuers**, there were disclosures that the enforcer looked at which were present in the notes related to the statement of financial position, subject to an *RTS on ESEF Annex II* mandatory markup, and that were not marked up.

Watch out for similar errors:


- Prior-period comparative amounts and subtotals displayed directly beneath balance-sheet line items were not consistently marked up, even though numeric values appeared in the statement layout.
- Items with zero balances were left untagged despite requiring markup.
- Footnotes containing numerical information were not marked up.
- Several mandatory text-block elements markups required by the *RTS on ESEF Annex II* (including those for receivables, payables, cash and cash equivalents, impairment, intangible assets, and treasury shares) were missing.
- Omitting required markup entirely (Example: Not marking up the note related to leases, even though the note appears in the financial statements).

→ Extension taxonomy elements

No issuers in the sample used a disproportionately high number of extension taxonomy elements (in relation to the total line items of the statement of financial position), and in the vast majority of cases the creation of the extension taxonomy elements was warranted (the closest core taxonomy element would misrepresent the accounting meaning of the marked up disclosure) and was properly anchored. However, for **3 issuers** the anchoring was not correctly applied, and for **6 issuers** the use of extension taxonomy elements was not warranted, as a core taxonomy element should have been used instead. Enforcers noted that inappropriate extension creation and weak anchoring practices undermine comparability and the purpose of the anchoring requirement.

Watch out for similar errors:


- Where anchoring was applied incorrectly, this was due to anchors pointing to expired or overly broad core elements, or because issuers retained outdated anchors when rolling forward prior-year files instead of updating them for the current ESEF taxonomy.
- In some instances, the chosen wider anchor was not the closest appropriate element; it was either too high-level or too generic, failing to reflect the accounting substance of the underlying datapoint (Example: An extension taxonomy element for “Liabilities from supplier financing arrangements” was anchored to *CurrentLiabilities*, even though *CurrentLiabilitiesOtherThanLiabilitiesIncludedInDisposalGroupsClassifiedAsHeldForSale* would have been a more accurate wider anchor.)
- Several extension taxonomy elements were created for standard balance-sheet items, particularly in equity and working capital, where core taxonomy elements should have been used (Example: an extension taxonomy element was created for Other reserves, when the issuer should have used the core taxonomy element *OtherReserves*).

→ Signs, scaling and accuracy

ESMA notes positively that only two isolated cases of sign, scaling, and accuracy errors were identified in the ECEP examinations. Overall, issuers applied signs in a manner consistent with debit–credit conventions, aligned them with the underlying calculation logic and used the correct units of measure and scale.

However:


- Signs, scaling, and numerical accuracy issues are most frequently observed in the statement of profit or loss, statement of cash flows and statement of changes in equity. By contrast, the statement of financial position tends to exhibit fewer such inconsistencies, given its more static structure, fewer items presented as negatives and limited need for directional interpretation. Issuers are encouraged to perform structured sign and scaling validation checks prior to submission, verify consistency between presentation formats (i.e., parentheses) and XBRL sign conventions and carefully review taxonomy balance attributes when marking up line items across all primary financial statements.

→ Calculations

Likewise, all issuers in the sample included a complete calculation tree validating the subtotals and totals in the statement of financial position. Except for one case noted below, the calculation relationships were consistent, and any minor discrepancies observed were attributable solely to rounding (validated against Calculation 1.0 – ESMA reminds that, in line with current best practice, calculations should be **validated using XBRL Calculations 1.1**, which appropriately accommodates such rounding differences).

Watch out for similar errors:



- In one instance, there was a concept in the context of provisions having "Total" as label role which are not part of a summation-item relationship as a Total concept. If a concept presented and labelled as a "Total" is mathematically derivable, but there is no corresponding summation-item relationship defined in the calculation linkbase, this is a breach of calculation consistency.

→ Other areas

Across the reviewed sample, enforcers also identified a range of mostly non-material validation warnings and filing rule issues, including untagged empty fields and concepts missing from the presentation linkbase. Issuers and their software providers were often asked to reassess these warnings and correct issues such as improper use of the escape attribute, structural inconsistencies between the human-readable and XBRL presentation hierarchy as well as formatting issues (such as portions of the annual financial report submitted as images instead of XHTML format).

While many issues were resolved without enforcement action or deemed immaterial, enforcers emphasised the need for issuers to strengthen validation processes, ensure complete application of mandatory tags and align taxonomy structures with both the ESEF Reporting Manual guidance and the human-readable presentation.

Enforcement actions in relation to this priority

Given the technical nature of ESEF reporting, some issues identified by enforcers relate to minor or isolated technical errors that do not materially affect the usability or integrity of the financial information. In such cases, enforcers may choose not to take formal action, opting instead to communicate observations and areas for improvement directly to issuers. As a result, the ECEP examination cycle ultimately led to a combination of formal enforcement actions and softer, recommendation-type measures, allowing issuers to refine their processes while ensuring that supervisory attention remains focused on matters with a meaningful impact on accuracy and regulatory compliance.

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Actions and/or measures

- **For eighteen issuers**, enforcers required corrective actions to be implemented in future ESEF filings in response to the issues identified above.

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ongoing exams

- **Fourteen examinations** in the sample were still ongoing as of the publication date of this report. Considering this, certain potential compliance deficiencies observed during this ECEP assessment may be subject to additional enforcement actions.

Abbreviations and acronyms

AFR	Annual Financial Report
APM	Alternative Performance Measure
CapEx	Capital Expenditure
CODM	Chief Operating Decision Maker
CGU	Cash Generating Unit
EBITDA	Earnings before interest, Tax, Depreciation and Amortisation
ECEP	European Common Enforcement Priorities
ECL	Expected Credit Loss
ED	Exposure Draft
EEA	European Economic Area
FRWG (EECS)	Financial Reporting Working Group - European Enforcers Coordination Sessions
EFRAG TEG	EFRAG Technical Expert Group
Enforcement	Examining the compliance of financial and sustainability information with the relevant reporting frameworks, as well as the format of the AFR with the relevant requirements set out in the ESEF RTS, and taking appropriate measures where infringements are discovered during the enforcement process
Enforcers	National Enforcers in the European Economic Area, used interchangeably with National Competent Authorities (NCAs) for the purposes of this report
ESEF	European Single Electronic Format
ESEF PT	ESEF Project Team
ESG	Environmental, Social and Governance
ESMA	European Securities and Market Authority
EU	European Union
FVOCI	Fair Value through Other Comprehensive Income
GAAP	Generally Accepted Accounting Principles
GLEFI	Guidelines on Enforcement of Financial Information
GLESI	Guidelines on Enforcement of Sustainability Information
GRI	Global Reporting Initiative
IAS	International Accounting Standards
IASB	International Accounting Standards Board
ISC	Issuers Standing Committee
IFRS	International Financial Reporting Standards
IFRS IC	International Financial Reporting Standards Interpretations Committee
IOSCO	International Organization of Securities Commissions
IPO	Initial Public Offering
IRO	Impacts, Risks and Opportunities
ISSB	International Sustainability Standards Board
Issuer	Legal entity whose securities are admitted to trading on EEA regulated markets
iXBRL	Inline eXtensible Business Reporting Language
KPI	Key Performance Indicator
MPM	Management Performance Measure
NCA	National Competent Authority, used interchangeably with enforcers for the purposes of this report
OCI	Other Comprehensive Income
OpEx	Operating Expenditure
PFS	Primary Financial Statements
Q&A	Questions and Answers
RTS	Regulatory Technical Standards
SFA	Supplier Finance Arrangements
SRWG	Sustainability Reporting Working Group
Supervision	Broader oversight and monitoring of an issuer's corporate reporting by regulatory authorities, including enforcement activities
XHTML	Extensible HyperText Markup Language

Legislative references

Accounting Directive	Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (as amended)
Audit Directive	Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC
Audit Regulation	Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC
Corporate Sustainability Reporting Directive / CSRD	Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting
ESEF Regulation	Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (as amended)
ESMA Regulation	Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (as amended)
European Sustainability Reporting Standards / ESRS / ESRS Set 1	Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards
IAS Regulation	Regulation (EC) No 1606/2002 of 19 July 2002 of the European Parliament and of the Council on the application of International Accounting Standards
Market Abuse Regulation	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation)
Non-Financial Reporting Directive / NFRD	Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups
Omnibus Directive	Directive (EU) 2026/470 of the European Parliament and of the Council of 24 February 2026 amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting requirements and certain corporate sustainability due diligence requirements
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (as amended)
Sustainable Finance Disclosure Regulation / SFDR	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector
Taxonomy Regulation	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088
Transparency Directive	Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (as amended)