

ESAP and transformation of corporate data access in the EU for post pandemic world

Presentation by Michal Piechocki of BR-AG

DISCLAIMER

The views presented are those of the author solely. They do not purport to and shall not be understood as views of the European Commission, the Council of Europe, the European Securities and Markets Authority or any other agencies involved in the development of ESAP.

European Single Access Point

The why?



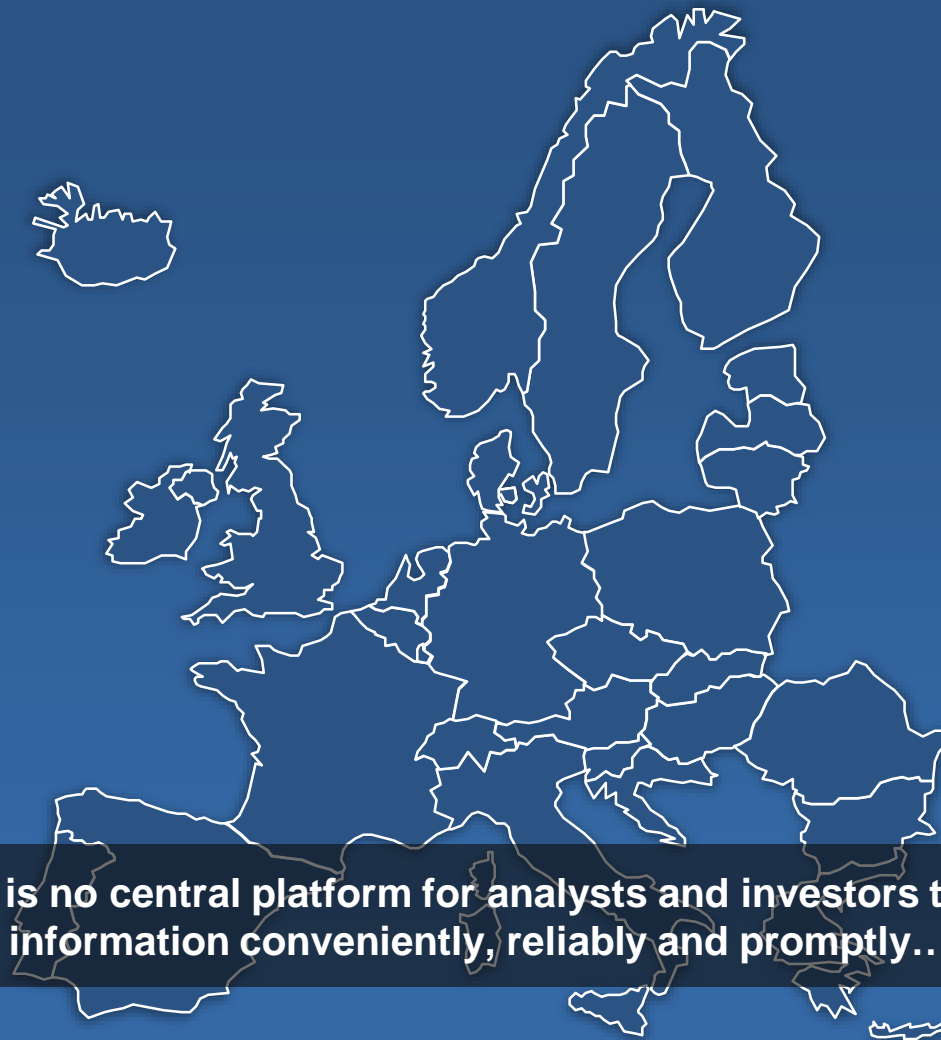
Anne is an investor who is looking for opportunities on pan-European capital market



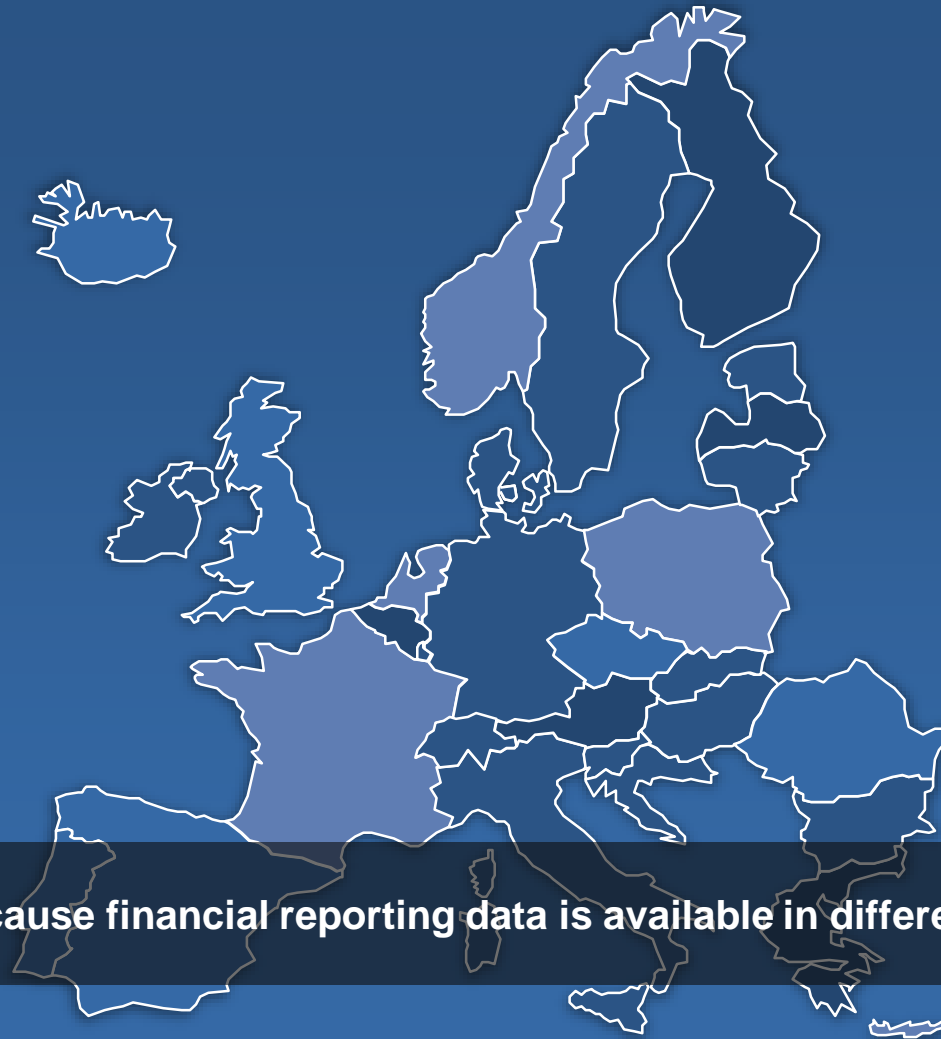
Peter is an M&A manager who is looking for possible synergy opportunities among the European capital market participants



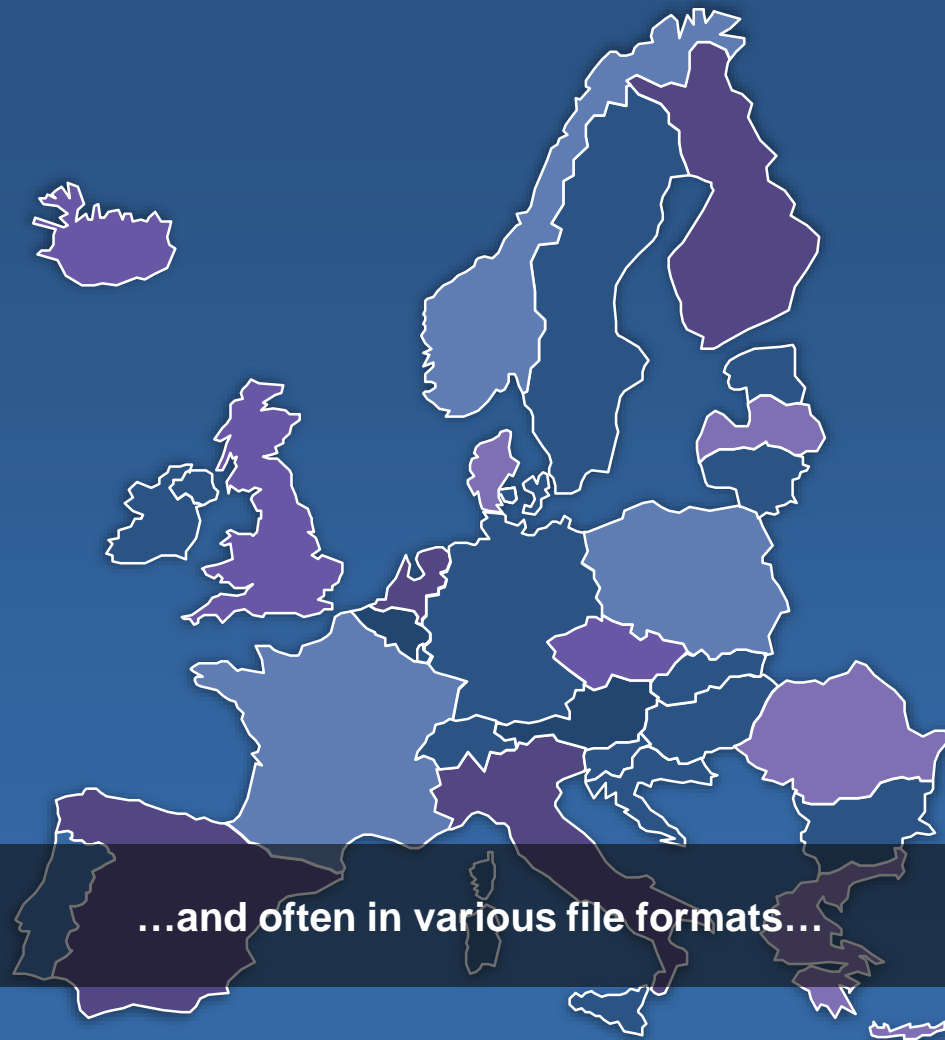
**Maria is an auditor who is searching for peers
necessary in transfer prices analysis**



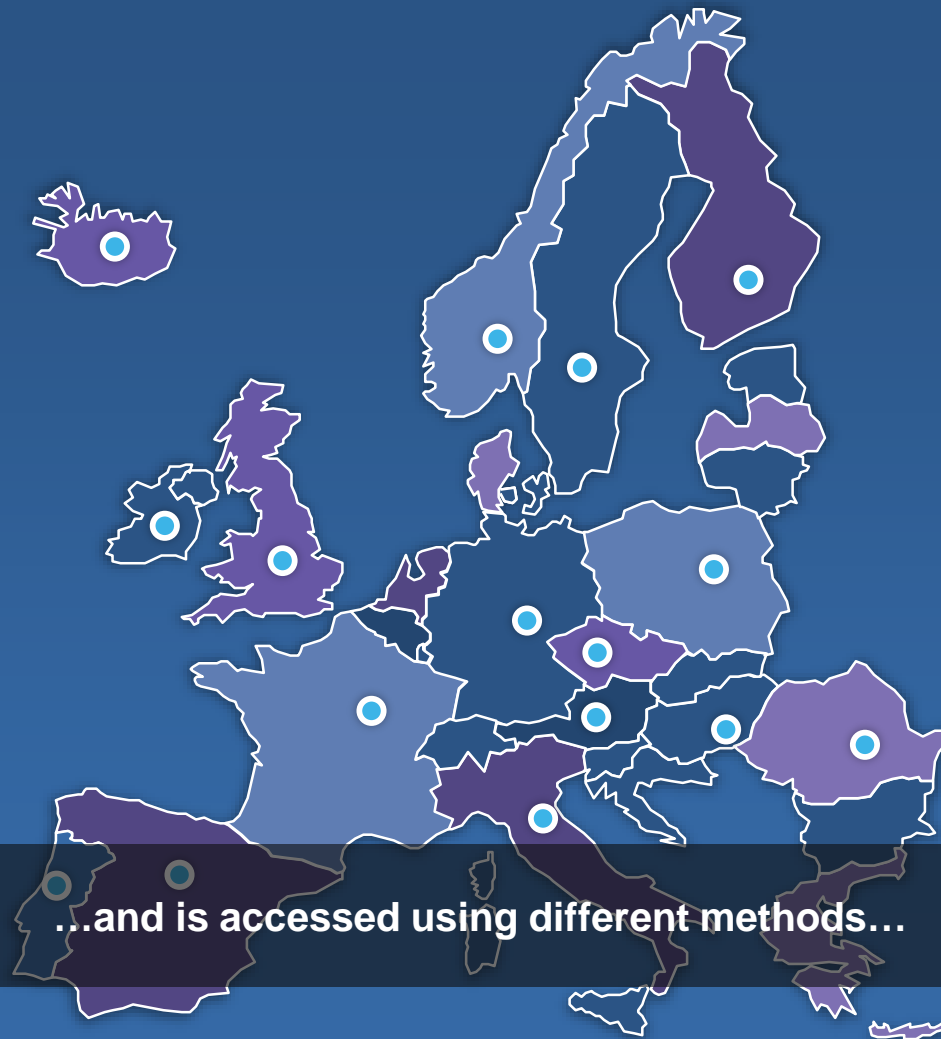
Since there is no central platform for analysts and investors to obtain that information conveniently, reliably and promptly...



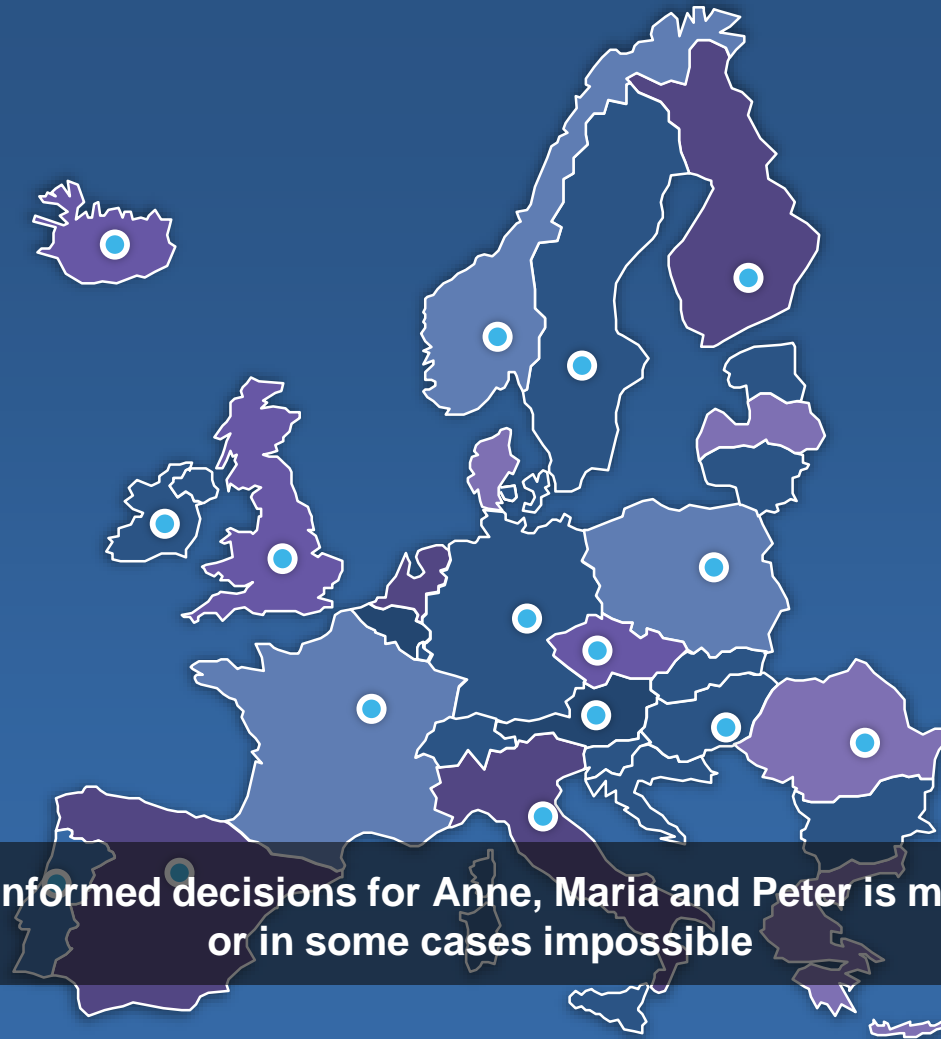
...and also because financial reporting data is available in different languages...



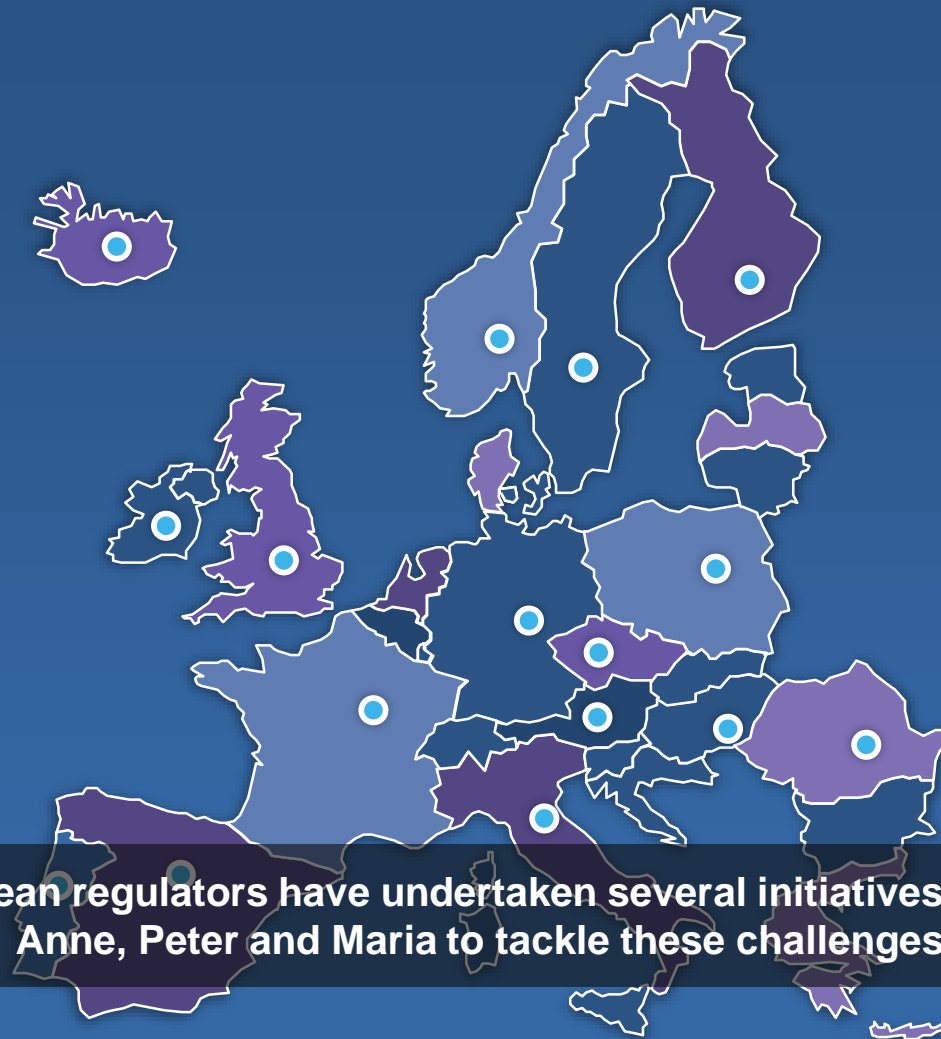
...and often in various file formats...



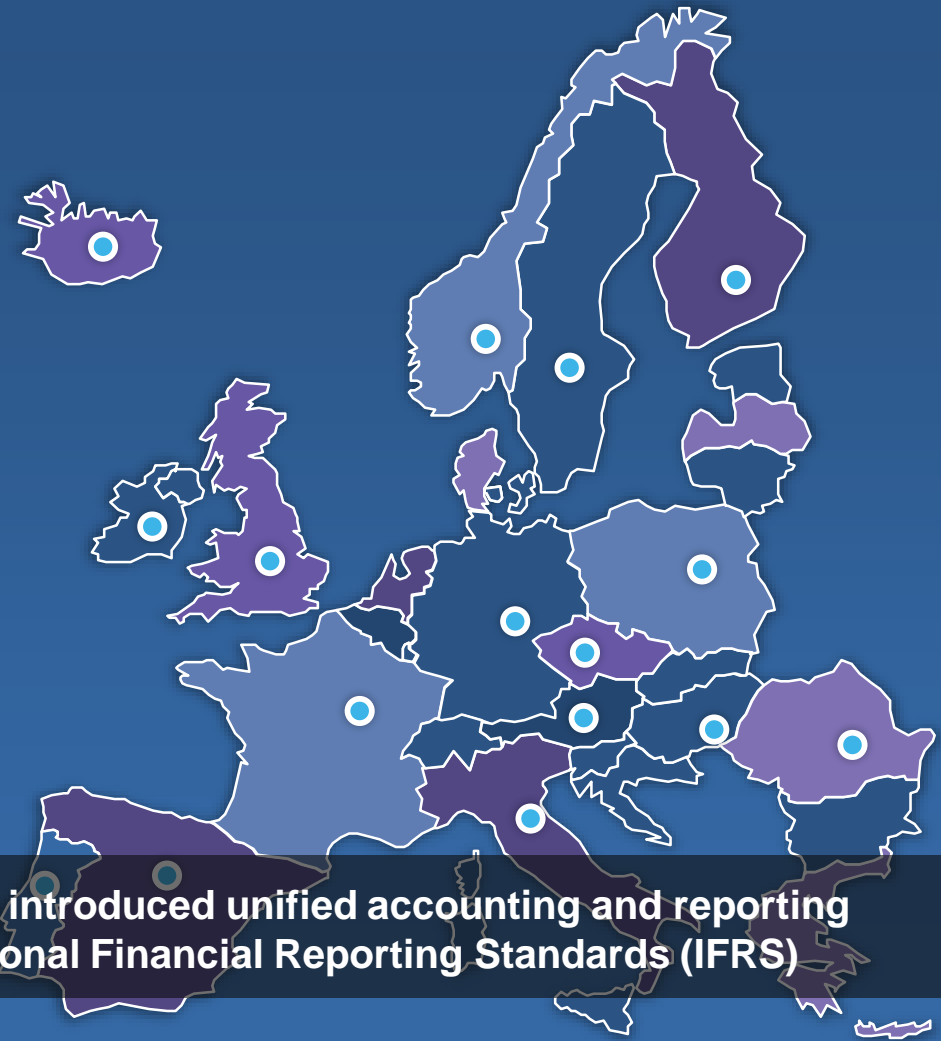
...and is accessed using different methods...



...making informed decisions for Anne, Maria and Peter is much harder,
or in some cases impossible



European regulators have undertaken several initiatives to help Anne, Peter and Maria to tackle these challenges



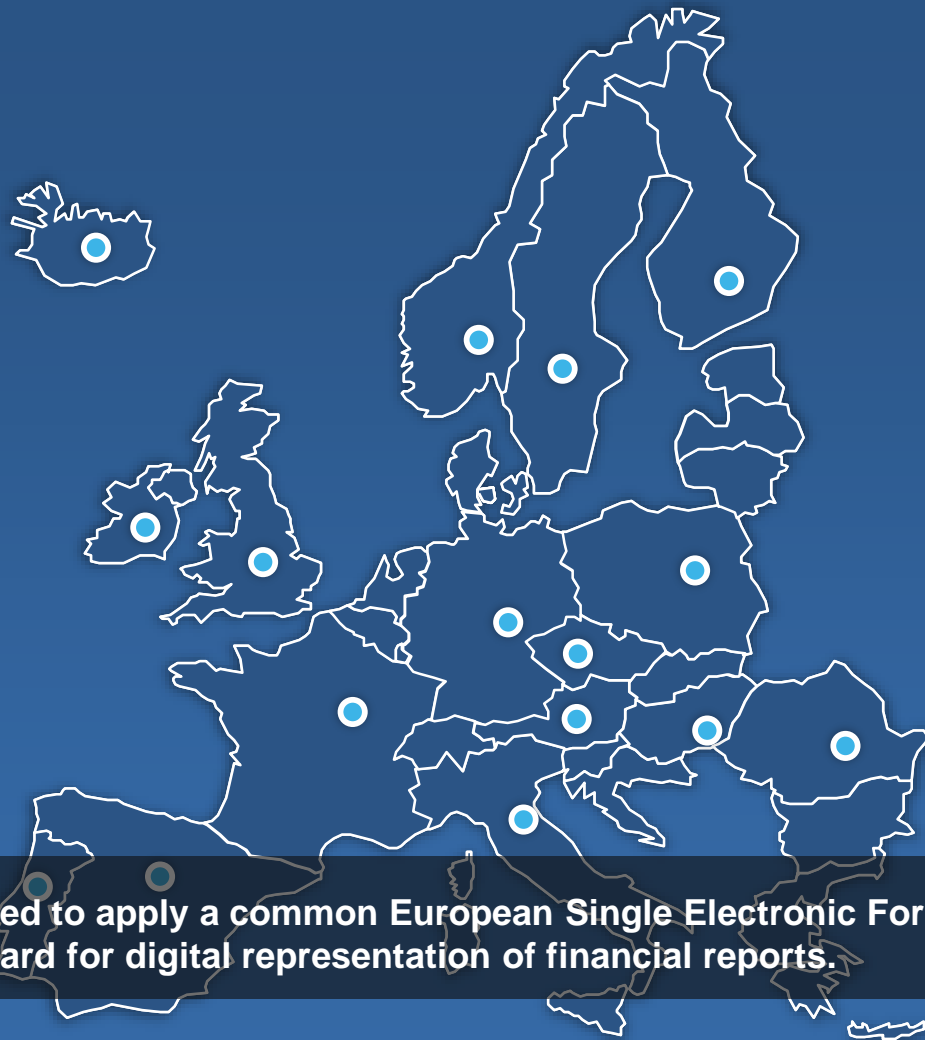
In 2005 the European Union has introduced unified accounting and reporting standards called the International Financial Reporting Standards (IFRS)



From 2017 the EU will require capital market participants to start using the Legal Entity Identifier (LEI) as a unique company identification mechanism



From 2020 all EU listed companies are required to apply a common European Single Electronic Format which adopts the Inline XBRL standard for digital representation of financial reports.





**Yet still, for an investor, the European capital market information
is not conveniently accessible**

Currently in each country there is an official registry called the Official Appointed Mechanism (OAM) that is responsible for distribution of regulated information received from listed companies



**At present these registries are not connected
in any usable manner**



But what if these registries were connected through a single access point?



What if they became a „cloud-based” commonly accessible registry that synchronises national regulatory information automatically?



This is what we call the European Single Access Point

ESAP



ESAP





ESAP



Report Metadata

- Issuer Name
- Unique Issuer ID (LEI)
- Type of regulated information
- Report URL (OAM)
- Report URL (Issuer's IR website)
- Issuer's Home Member State
etc.





ESAP



Report Metadata

- Issuer Name
- Unique Issuer ID
- Type of regulated information
- Report URL (OAM)
- Report URL (Issuer)
- Issuer's Home Member State
Etc.





I would like to invest in European companies that have at least 30% ROI



ANNE





I would like to invest in European companies that have at least 30% ROI



ANNE





I am looking for steel producer in east Europe with low debt ratio to merge with a shipbuilding company



PETER

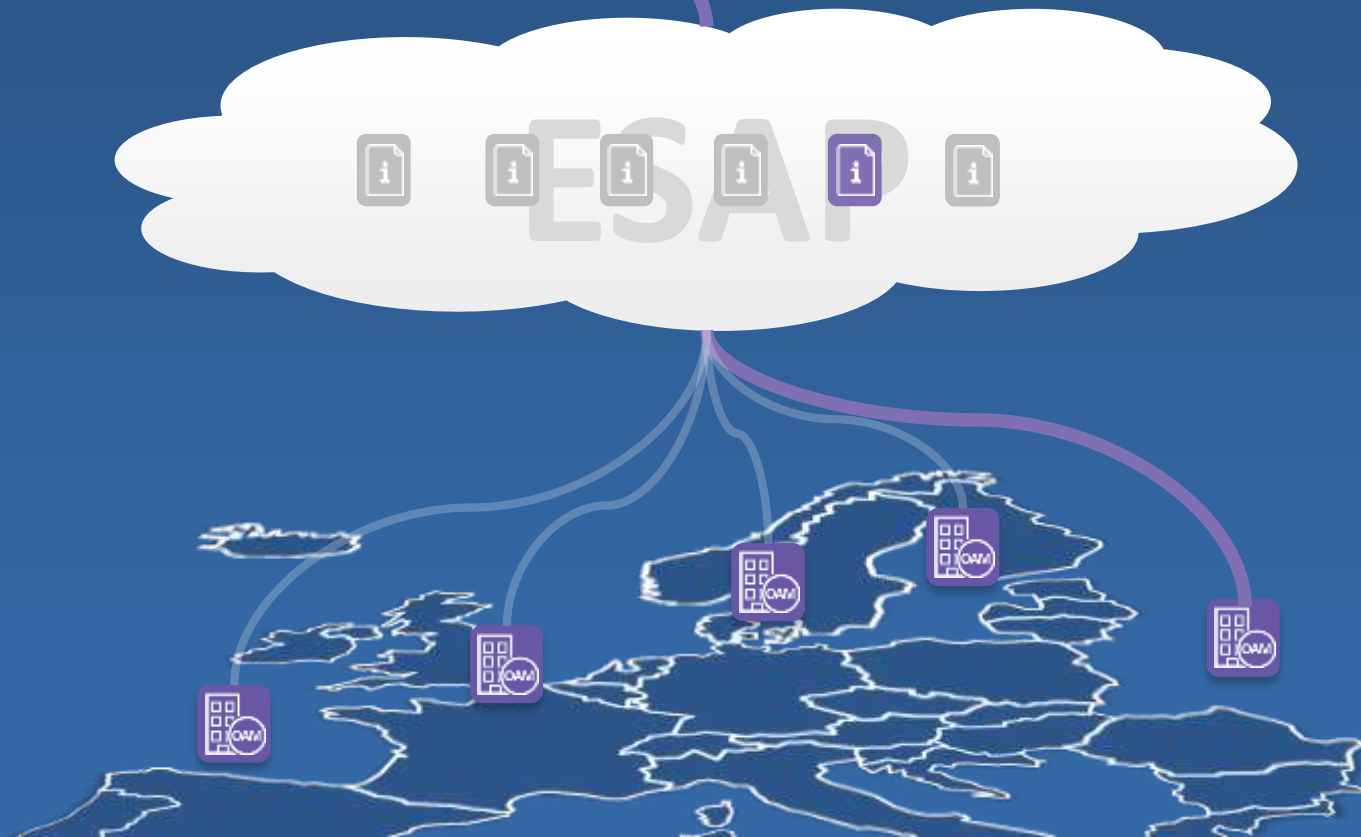




I am looking for steel producer in east Europe with low debt ratio to merge with a shipbuilding company



PETER





I am looking for peers with more than 50 million EUR assets and revenue more than 70 million EUR and profit more than 5 million EUR



MARIA





I am looking for peers with more than 50 million EUR assets and revenue more than 70 million EUR and profit more than 5 million EUR



MARIA



European Single Access Point

The how?

ESAP key components

- Machine-readable data (iXBRL, ISO 20022)
- Common identifiers (LEI, ISIN)
- Digital accessibility (APIs)



Investors
associations



Analysts
associations



Stock
exchanges



OAMs



NCAs



Listed comp.
associations



Data
vendors



Academia



EFRAG



Banking
associations



Business
registers



CRAs



Standard
setters



SME
associations



EU
programs



Other
stakeholders

Layer of open-source developed applications (analysis, use, deployment) based on ESAP data

Bulk download

Web application

Quality assurance

Linking datasets

Security

Administration & users

Machine learning

eIDAS & LEI

Data submission API

Data storage (cloud)

Metadata management

Innovation

Layer of open-source developed applications allowing interaction with ESAP via Push API



OAMs and regulated repositories or regulated data disseminators



Registries



SMEs*



Listed companies*

European Single Access Point

The what?

ESAP key data

- Financial reports (IFRS)
- Investment information (Prospectus)
- Sustainability data (CSDR)
- Other (EIOPA, EBA and other)

Corporate data scope

<div> <div>Company establishment</div> <div>Growth and gaining maturity</div> <div>Company transformation, limitation or discontinuity</div> </div>		
Common actions (reporting, registration, announcements, notifications etc.)		
<ul style="list-style-type: none"> Registration of a company Certification of product/service Application for public grants / funding Exemptions and privileges Tax reporting and registers Social contributions registers Procurement procedures Initial Coin/Token Offering 	<ul style="list-style-type: none"> Initial Public Offering Prospectuses and KIIDs publication Issuance of debt securities Corporate actions publication Registration of related parties and subsidiaries Licences and permissions Application for public grants / funding Tax reporting and registers 	<ul style="list-style-type: none"> Splits / mergers / acquisitions Nationalisation Filing for bankruptcy / insolvency Deregistration Going dormant Sanctions Prosecutions and regulatory warnings Internationalisation
Other actions and market-driven activities		
<ul style="list-style-type: none"> Advertising Website, social media Investment and business plans publication Forecasts, prospects and plans announcements 	<ul style="list-style-type: none"> Ratings publication Rankings and indices Certificates Corporate sustainability reporting Major internal corporate announcements International cooperation and trade events 	<ul style="list-style-type: none"> Announcements of recovery plans Bankruptcy auctions

383 disclosure requirements across EU legal acts for listed entities only

European Single Access Point

The when?



European Single Access Point

What's in it for business registers?

What are companies expecting?

1. Access to finance
2. Regional and global promotion
3. Trust (trade, grants, procurement)

Boosting post-pandemic economy

Type of financing	Micro (<= 2m EUR)	Small (<= 10m EUR)	Medium (<=43/50m EUR)	Large (> 43/50m EUR)	
Internal funds/founders	Likely	Possible	Unlikely	Unlikely	Short-term financing
Bank loans / credit cards / leasing / factoring	Likely	Likely	Likely	Likely	
Grants / subsidies	Likely	Likely	Possible	Possible	
Crowdfunding	Likely	Possible	Unlikely	Unlikely	
Trade credit	Likely	Likely	Likely	Likely	
SME Growth Market	Unlikely	Possible	Likely	Unlikely	Long-term financing
Corporate bonds	Unlikely	Unlikely	Possible	Likely	
Seed funds / Angel investors	Likely	Possible	Unlikely	Unlikely	
Financial VCs	Unlikely	Possible	Likely	Likely	
Strategic VCs	Possible	Possible	Likely	Likely	
Equity listing (IPO)	Unlikely	Possible	Likely	Likely	

← Smaller financing needs Larger financing needs →

Ideas

- EU: Provide listed companies data to ESAP
- Non-EU: Connect to ESAP to promote economy and SMEs
- Non-EU: Additional information for BO/AML checks
- All: Innovate comparison of companies data
- All: Global ESG data sharing and access





Thank you for your time

Michal Piechocki | CEO BR-AG | michal.piechocki@br-ag.eu | +48505558628



TRANSFORMING BUSINESS REGISTRIES FOR THE POST PANDEMIC ERA
21 - 24 SEPTEMBER 2022