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Primary Market Technical Note

Structured digital reporting for annual financial statements prepared in accordance with International Financial Reporting Standards

The guidance in this This Technical Note supplements DTR 4.1 on the preparation and publication of annual financial reports.

This Technical Note also provides information on which ESEF taxonomies we treat as a 'generally accepted taxonomy' under DTR 4.1.8R(2) in the context of our requirements ~~The rules and guidance in DTR 4.1.15R to DTR 4.1.23G for companies to mark up using XBRL markup language (i.e., to digitally tag) annual financial reports that contain consolidated accounts prepared in accordance with international financial reporting standards. , and the guidance in this Technical Note,~~ These DTR provisions replace the UK version of the EU Transparency Directive's regulatory technical standard for the European Single Electronic Format (ESEF).

Our website also provides information on digital reporting on the pages headed 'Company annual financial reporting in electronic format' and 'Filing of structured annual financial reports' including further information on planned reconfigurations of our National Storage Mechanism (NSM) validation mechanisms to align with the guidance in this note.

~~The purpose of this Technical Note is to guide in-scope companies in meeting their obligations to prepare annual financial statements in the tagged structured digital reporting format under DTR 4.1.16R to DTR 4.1.18R. Companies should read this Technical Note alongside those rules.~~

~~This information will also help issuers who choose to prepare their annual financial statements in the structured digital reporting format under DTR 4.1.18R.~~

~~We provide information on the 'generally accepted taxonomies' including the 'ESEF' taxonomies (see below) and the 'UKSEF' issued by the Financial Reporting Council.~~

~~Issuers and other stakeholders should also have regard to the FCA's online guidance in relation to filing ESEF (or UKSEF) reports in the National Storage Mechanism (NSM), which is available on the section of our website on Filing of Structured Annual Reports.~~

~~Our website also provides further information on planned reconfigurations of the NSM validation mechanisms to align with the guidance in this Technical Note.~~

Rules

DTR 4.1.18R

Our approach to the generally accepted taxonomy

DTR 4.1.18R provides that where annual financial reports contain consolidated ~~accounts~~ annual financial statements ~~that have been~~ prepared in accordance with IFRS, in-scope companies must ~~digitally tag certain disclosures~~ apply digital tagging using a taxonomy generally accepted in the UK for financial disclosures in regulated markets.

Our approach is that a generally accepted taxonomy is one that is based on the IFRS Accounting Taxonomy published by the IFRS Foundation and is up to date.

This includes the EU's version of the IFRS ~~Foundation's~~ Accounting Taxonomy (the 'ESEF taxonomy') which is set out in the EU TD ESEF RTS and described therein as the 'core taxonomy'. This is amended regularly (usually annually) to track the latest IFRS Accounting Taxonomy which is issued around March each year. It is supported by a digital version of the taxonomy and related guidance materials published by ESMA.

In-scope companies can choose between:

- the ESEF taxonomy that is based on the latest IFRS Accounting Taxonomy, as published by the IFRS Foundation before the start of the relevant financial year, ~~or~~ and
- an ESEF taxonomy that is based on a ~~subsequent~~ more recent version of the IFRS Foundation's taxonomy, if available before the deadline for publishing the annual financial report.

~~We set out in the first table below which ESEF taxonomies we consider to be generally accepted taxonomies for the financial years starting on or after 1 January 2022. The ESMA website provides links to the EU's regulatory technical standard and amending legislation containing the ESEF taxonomies and setting out how to apply to them. This is supported by a range of guidance materials published by ESMA and made available on its website. Companies should also have regard to the ESEF Reporting Manual which is published by ESMA and gives further guidance on when companies may employ newer tags from the IFRS Accounting taxonomy before they have been incorporated into an ESEF taxonomy.~~

Companies can also access the ESEF taxonomies via the 'UKSEF' which the FRC reissues annually with the latest version of the ESEF taxonomy alongside other FRC-published taxonomies. This might be useful for companies who want to prepare a 'multi-target document'.

~~The Financial Reporting Council has previously issued a 'UKSEF' taxonomy that has been based on the ESEF taxonomy. Issuers can continue to use this as an alternative to the ESEF taxonomy for financial years starting on or after 1 January 2022 and before 1 January 2023, as set out in the second table below.~~

~~For financial years starting on or after 1 January 2022, companies may use the UKSEF approach to apply the FRC Taxonomy suite issued by the Financial Reporting Council (FRC) alongside the ESEF 2022 taxonomy. Companies who choose to use a UKSEF taxonomy, or the later UKSEF approach alongside the ESEF taxonomy, should also have regard to the UKSEF Manual on the FRC's website.~~

~~In future years, we expect companies will be able to continue to use the FRC taxonomies alongside more recent versions of the ESEF taxonomy that we consider to be a generally accepted taxonomy.~~

~~For ease of reference, we intend to keep the table below up to date as new taxonomies emerge and would consult on any such changes.~~

Filing digitally tagged annual financial reports in the NSM

We will configure our National Storage Mechanism (NSM) to accept filings of annual financial reports with digitally reported tagged annual financial statements where the taxonomy used follows the approach described in this Technical Note. Filings of annual reports that have been digitally tagged but have not used a generally accepted taxonomy (for example, using an outdated version of the taxonomies or omitting the appropriate taxonomies) will be rejected. Annual financial reports that have been digitally tagged using the UKSEF with a generally accepted taxonomy can be filed in the NSM.

Our Filing Manual (available from the section of our website on Filing of Structured Annual Financial Reports) indicates when we will make these changes to the NSM each year and provides other useful information for companies, their service providers and other stakeholders.

ESEF Illustration of generally accepted taxonomies

Legend:

	Source
Commission Delegated Regulation (EU) 2019/815	https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019R0815
<u>ESEF 2024 taxonomy</u>	Annex III of <u>Commission Delegated Regulation (EU) 2025/19 of 26 September 2024</u>
ESEF 2022 taxonomy	Annex III of Commission Delegated Regulation (EU) 2022/2553 amending Delegated Regulation (EU) 2019/815
ESEF 2021 taxonomy	Annex II of <u>Commission Delegated Regulation (EU) 2022/352 amending Delegated Regulation (EU) 2019/815</u>

The ESEF taxonomies are set out in the EU legislation hyperlinked in the legend above table. Digital versions are available on ESMA's website. Note that a new ESEF taxonomy was not released in 2023, which is why there is no 'ESEF 2023 taxonomy' referenced in the legend.

Generally accepted ESEF taxonomies:

Financial year	Reporting AFR publishing deadlines*	Generally accepted taxonomies
<u>Starting on or after 1 January 2025</u>	<u>From 30 April 2026</u>	<u>ESEF 2024 taxonomy</u>
Starting on or after 1 January 2023	From 30 April 2024 <u>and up to 29 April 2026</u>	ESEF 2022 taxonomy <u>ESEF 2024 taxonomy</u>
<u>Starting on or after 1 January 2022 and before 1 January 2023</u>	30 April 2024 and up to 20 April 2024	ESEF 2022 taxonomy ESEF 2021 taxonomy

* *This column indicates the range of possible deadlines for an annual financial report (AFR) to be prepared and made public (with a copy filed in the NSM) within 4 months of the financial year end (DTR 4.1.3R). In many cases the financial year will start 1 January and end 31 December with a publishing deadline falling on 30 April in the following year. However, for financial years starting after 1 January, the deadline would be later.*

UKSEF

Legend:

	Source
UKSEF approach issued October 2022	The UKSEF approach issued by the FRC in October 2022 as part of their 2023 Taxonomy Suite
UKSEF 2022 taxonomy	The UKSEF Taxonomy v.2.0.0 issued by the FRC on 3 February 2022 as part of their 2022 Taxonomy Suite

Generally accepted UKSEF taxonomies, and UKSEF approach:

Financial year	Reporting deadlines*	Generally accepted taxonomies
Starting on or after 1 January 2023	From 30 April 2024	UKSEF approach issued October 2022 (to be used)

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Financial year	Reporting deadlines*	Generally accepted taxonomies
		alongside the ESEF 2022 taxonomy)
Starting on or after 1 January 2022 and before 1 January 2023	30 April 2023 and up to 29 April 2024	UKSEF issued October 2022 (to be used alongside the ESEF 2022 taxonomy) UKSEF 2022 taxonomy

~~* This column indicates the range of possible reporting deadlines for annual financial reports that must be prepared and published (with a copy filed in the FCA's National Storage Mechanism) within 4 months of the financial year end (DTR 4.1.3R). In many cases the financial year will start 1 January and end 31 December with a reporting deadline falling on 30 April in the following year. However, for financial years starting after 1 January, the reporting deadline would fall later. For example, for a financial year starting 31 December 2022 and ending 30 December 2023, the reporting deadline would be 29 April 2024.~~