

SSMA Position Paper on the European Single Access Point

European Commission Consultation

March 2021

CMU Action 1 – European Single Access Point

The Swedish Securities Markets Association (SSMA) welcomes the opportunity to respond to the European Commission's (the Commission) consultation on the establishment of a European Single Access Point (ESAP) for financial and non-financial information publicly disclosed by companies (public information) (the Consultation).

When responding to the Consultation, the SSMA has taken as a starting point that the ESAP, properly framed and including the right information, can be a useful source of information for e.g. investors in capital markets, rating agencies, financial intermediaries including financial analysts and research providers.

ESAP staged approach

SSMA is supportive of and indeed believes it is key to take a staged approach, with a balance struck between the value for providers as well as users of holding certain public information available in the ESAP against the costs of collecting and making this information available.

It is of utmost importance that decisions to include information in the ESAP is based on a proper cost benefit analysis. It is also important that standards and technical systems are agreed and established well ahead of the launch of the ESAP.

ESAP governance

SSMA is of the opinion that ESMA should be mandated to establish and maintain the ESAP, as much (albeit not all) information to be initially included in the ESAP derives from areas and entities that are supervised by ESMA or by National Competent Authorities represented in ESMA.

In order for the ESAP to work well and deliver optimal value to users, it is important that ESMA work and consult with the Commission, other concerned ESAs, as well as with representatives of providers and users of information included in the ESAP.

Consultations with stakeholders should be conducted in a way and on a time plan that enables stakeholders to make a thorough analysis and provide input to the process, following which such input should be carefully considered and taken into account before any important decisions are taken.

Information to be submitted once

Companies and other entities providing information included in the ESAP should only be required to submit such information once, through one reporting channel, where possible through registers and systems already established at national level.

As information in the ESAP will be derived from numerous sources, sufficient time must be allowed for content, format etc. to be agreed and implemented. If sufficient time and resources is spent on this part of the process, it will, taken together with the staged and focused approach, increase the likelihood of success as well as the value of the ESAP, as data will be comparable and more useable.

Information must be of high quality

ESAP must be a reliable source of information, meaning that the quality of information included in the ESAP must be accurate and complete, gathered only from reliable and named sources – this is much more important than having a wide scope of information in the ESAP.

For information to be provided on a timely basis, technical standards and systems must be developed and well maintained, providing for swift gathering and delivery of relevant data. In case it is possible to amend or update information provided to the ESAP, it should be possible to track such changes.

ESMA should as part of its work to establish the ESAP look at how the integrity and credibility of the source of data should be ensured. Information included in the ESAP should be subject to regular and robust quality checks, incl. on the compliance with IT formats, key tests (matching figures, units etc.), use of the correct taxonomy, completeness and availability of metadata.

It should be noted that if information were to be included in the ESAP without being structured, quality checked and in a machine readable format, this would add significant costs to providers and other involved parties without providing any corresponding value to users – it could even in a worst case scenario lead to situations where users incl. consumers are misled.

Information held available free of charge

SSMA considers that information in the ESAP should be accessible to users free of charge and free of license or other fees. While the ESAP could serve to make more information available to users, it is important that providers are not left with unnecessary costs to e.g. duplicate or translate information from an existing format to another.

It can in this context also be noted that there already exists a “market data” problem, where users of data are obliged to pay e.g. for data relating to their own transactions. It is important that the ESAP is used to reduce costs, not add to an already existing burden to provide information.

Against this background, a proper analysis must be made of the costs for the setting up and running of the ESAP, and ESMA must be provided with resources from EU funds to carry out this new task.

Language important for comparability

SSMA considers that in order to make information comparable, information should be provided in a language that is customary in the sphere of international finance, i.e. English.

Technical requirements

For the ESAP to be of value, information must be collected and held available in technical formats that are machine readable and can be accessed by providers/users.

Different technical formats can be used in different areas, depending on the information as well as the providers/users. The SSMA would support a mandate to ESMA to develop technical standards incl. data fields, formats etc., making sure that information in the ESAP is provided and available in formats and in a way that is useful to providers/users.

ESMA should when developing technical standards where possible use already existing entity and document identifiers, so that ESAP information can be easily inter-linked and cross-referenced.

It should here be noted that the risks involved in setting up any complex IT system are high, and as a consequence it is crucial that ESMA is given both the time and resources to carry out this task in a focused and diligent manner, and that all stakeholders are properly consulted in the process.

Public information to be included in the ESAP

SSMA considers that the ESAP should be implemented in stages. As a first step, focus should be on public information of companies with securities listed on EU Regulated Markets, as the aim of the CMU is to develop and increase access to capital markets for companies incl. SMEs in the EU.

The starting point should in the initial phase be on information already subject to disclosure requirements in

- the Transparency Directive incl. annual/half yearly reports, and major holdings,
- the Accounting Directive incl. financial statements, management/audit reports, and
- the Audit Directive incl. auditor transparency reports.

The information referred to above should be included in the ESAP as soon as practically possible when standards, technological means to transfer information etc. is in place.

It could be noted that while information provided under the above mentioned directives should already in many cases be in standardized format, ESMA should be tasked with checking compliance with such rules, making sure that such information can be provided with high quality and in machine readable formats.

ESG information

The SSMA is of the opinion that ESG related information should be a primary focus area of the ESAP, including information provided in

- the Non-Financial Reporting Directive incl. non-financial statements,
- information on sustainability risks and impacts disclosed pursuant to the Regulation on sustainability-related disclosure and the Taxonomy Regulation incl. sustainability risks integration policies, and
- the Regulation on EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks incl. information on measurable carbon emission reductions.

It could further be analyzed if and to what extent ESG information provided for e.g. in the Regulation on Wholesale Energy Market Integrity and Transparency (REMIT) incl. inside information, and the EU Emissions Trading System (EU ETS) could be included in a later stage.

In this context, it could be noted that sustainability data is at present difficult and costly to access, as we do in some areas lack standards while we do in other areas have several standards. This should be taken into account in connection with the expected review of the Non-Financial Reporting Directive.

Information relating to non-listed companies

The SSMA considers that while focus in the first stage of the ESAP should be listed companies, it should also be possible for companies outside of regulated markets such as companies with securities listed on SME Growth Markets, as well as pre-IPO and unlisted companies, to provide information for inclusion in the ESAP.

Information from such providers must be subject to the same robust standards, quality controls etc. as applicable to corresponding information from other providers. If this would not apply, there is a risk that the reputation and as a consequence the value of the ESAP would be seriously undermined.

Other information

Taking as a starting point that the inclusion of information in the ESAP should be done in stages, the SSMA considers that information referred to in any other regulations and directives than the ones set out above should not be included in the first stage.

It could hereby also be noted that while the consultation takes as a starting point a number of regulations and directives in the financial markets/services field, the scope of the ESAP should not primarily be based on such regulations/directives, but rather on information about companies at large, with clear priority given to information that is of value to providers/issuers and users.

Against this background, it is difficult to see the obvious value in collecting and storing data under most of the regulations/directives referred to in the consultation. Data that is primarily of use e.g. to national competent authorities should be exchanged directly between those supervisors and not be included in the ESAP. It is also difficult to see the added value of adding data in the investment fund space to the ESAP.

This being said, it cannot be ruled out that information provided under other regulatory frameworks may be included at a later stage, subject to robust analysis and consultations with relevant stakeholders.

Role of ESMA

ESMA has a key role to play in the setting up and running of the ESAP, and it is important that ESMA is provided with sufficient resources from EU funds to carry out this task properly.

ESMA will play a key role in the drafting of applicable technical and other standards, but also, where the collection of data is primarily carried out at national level, in supervising and monitoring that requirements are met and data collected in accordance with applicable rules.
