

10 December 2019

Vice President Dombrovskis
Directorate-General for Financial Stability
Financial Services and Capital Markets Union
European Commission
Rue de la Loi / Wetstraat 200
1049 Brussels
Belgium

Dear Commissioner Dombrovskis

Missing: A Single European Electronic Access Point for the European Single Electronic Format

CFA Institute would like to express our concerns about the implementation of the European Electronic Access Point (EEAP) in support of the Capital Markets Union (CMU) and, in particular, the European Single Electronic Format (ESEF), which is a small but critically important part of the CMU and essential to improving transparency in the EU.

About Us

With offices in Charlottesville, New York, Hong Kong, London, Brussels, Mumbai, Beijing and Abu Dhabi, CFA Institute is a global, not-for-profit professional association of more than 173,000 investment analysts, portfolio managers, investment advisors, and other investment professionals in more than 160 countries, of whom more than 167,000 hold the Chartered Financial Analyst® (CFA®) designation. The CFA Institute membership also include 158 member societies in 81 countries and territories.

Technology to Improve Democratization of Information: Our Historical Efforts

CFA Institute has long-supported technology to improve the democratization of information to investors. Prior to the implementation of EDGAR in the mid-1990s, financial reports of U.S. public companies were not available without a written request to the issuer to mail a copy. CFA Institute supported the EDGAR initiative because we believed it would – as it has – help democratize the availability of financial information. Over the last decade we have provided similar support to the development of XBRL (eXtensible Business Reporting Language) – including development of publications such as, [*eXtensible Business Reporting Language: A Guide for Investors*](#).

In the same vein, we supported the European Securities and Markets Authority's (ESMA) efforts to establish the ESEF as we believe it will improve democratization of information, which we expressed in our [2016 comment letter](#). We believe technology should be effectively leveraged to provide the information investors need for their investment decision.

A Single European Electronic Access Point

The EU Transparency Directive required ESMA, and the national competent authorities (NCA) from each EU Member State, to work together on creating a single, centralized point of entry for public to access statutory information of listed companies -- the EEAP. However, the ESMA Board of Supervisors decided to pause the project in January 2018.

Currently, every EU Member State has its own Officially Appointed Mechanisms (OAM). Hence, any investor who wants to compare and contrast companies across different Member States will need to access a different OAM for each one. Furthermore, Member States have different national mechanisms for storing information about companies, that all work in slightly different ways, and the information they provide varies in terms of scope and quality. This is not efficient for investors. The EEAP is necessary to facilitate accessibility, analysis and comparability of annual financial reports by users.

The European Financial Transparency Gateway (EFTG)

We note that the European Commission has started its own pilot project based on an approach to build a distributed and decentralized system by interconnecting the OAMs in Europe into a dedicated platform for sharing data instead of exchanging it i.e., a blockchain platform infrastructure offering traceability and ownership management of both submitted and consumed financial data.

The platform system will provide easier cross-border access to regulated information, lower the search time and reduce the information access costs. Potentially, investors will obtain faster results as they will no longer have to go through 28 different portals but rather to a single-entry point from a single distributed framework across the EU. Of course, we don't know what the outcome of the pilot project will be.

The Issue

Public companies are readying themselves to prepare ESEF filings, NCAs and OAMs are getting ready to accept them, and investors and other users are waiting to access and analyze them. Without an EEAP (whether it is the EFTG or another mechanism) investors and other users will not be able to access ESEF filings without great cost and effort. The development of the EEAP is integral to improving the transparency of information provided by listed companies within the EU.

The success of ESEF faces a large hurdle. We understand that the EEAP has not been developed due to budget restrictions faced by ESMA. And the EC is unable to take its pilot EFTG project



and proceed to full-scale implementation as that would be contradictory to Article 21a of the Transparency Directive that requires that ESMA develop the EEAP.

This situation threatens to impair the ESEF. We, therefore, urge you to find a means by which to resolve the situation in time for the first ESEF filings. A further concern is that even if the funding issue is resolved, we question whether there is sufficient time for proper implementation of the EEAP.

Thank you for consideration of this matter and we look forward to a positive reply. If you or your staff have questions or seek further elaboration of our views, please contact either Mohini Singh, ACA, by phone at +1.434.951.4882, or by e-mail at mohini.singh@cfainstitute.org or Josina Kamerling by phone at +32 (2) 207 1212 or by email at josina.kamerling@cfainstitute.org or Sandra J. Peters, CPA, CFA by phone at +1.212.754.8350 or by email at sandra.peters@cfainstitute.org.

Sincerely,
/s/ Sandra J. Peters
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Senior Head, Global Financial Reporting Policy
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cc: Steven Maijoor, Chair, ESMA
John Berrigan, DDG DG FISMA
Corporate Disclosure Policy Council