

The European single access point

On 2 March, ICMA [responded](#) to the European Commission's five week [consultation](#) on establishing the European single access point (ESAP) for companies' financial and sustainable investment-related information made public pursuant to EU legislation. ICMA had previously provided feedback on the ESAP topic in its 25 June 2020 [response](#) to the Commission's [consultation](#) on a new digital finance strategy for Europe / FinTech Action Plan (regarding questions 27/28) and in its 30 June 2020 [feedback](#) to the High-Level Forum [Report](#) on CMU (regarding Recommendation 1).

ICMA's response to the ESAP consultation focused mainly on prospectus information under the EU's Prospectus Regulation (PR). The response also touched briefly on information under certain other EU regimes – namely the Transparency Directive (TD), Non-Financial Reporting Directive (NFRD), Market Abuse Regulation (MAR), Packaged Retail and Insurance-based Investment Products Regulation (PRIIPs), Securities Financing Transactions Regulation (SFTR) and Regulation on Sustainability-Related Disclosures in the Financial Services Sector (SFDR).

Generally (though mostly from a PR perspective), the response was supportive of the ESAP concept but emphasised various aspects relating to its implementation (notably in terms of proportionality):

- (a) inclusion of information under individual EU regimes should be subject to individual consideration in terms of (i) system compatibility and (ii) underlying need (given submission burdens and any existing access solutions);
- (b) questions of non-IT form (including natural language), content, timing and legal/logistical responsibility (excepting ESAP's own hosting responsibilities following the receipt of information) should usually be left to the context of such individual regimes rather than the ESAP structure;
- (c) the ESAP should be open to, and not restrictive of, various submission IT/machine-readable formats/solutions – though there are difficulties around the European Single Electronic Format (ESEF – involving inline XBRL¹ tagging) and particular care is needed not to indirectly force either (i) the standardisation of financial instrument terms or (ii) subjective/simplistic (and so potentially misleading) summarising/labelling of complex financial instrument terms;
- (d) the ESAP should enable third party search platform access (the response citing in this respect the *Finding Prospectus Information Online* article from pages 40-41 of the [Third Quarter 2020 edition](#) of this Quarterly Report);
- (e) various options arise in terms of who would submit information into the ESAP (between reporting companies, regulators and infrastructures already involved in information dissemination flows);
- (f) the potential for ESAP inclusion to formally constitute the “availability to the public” that is required under various EU regimes;
- (g) administrative responsibility should rest with the authorities, but involve stakeholder input;
- (h) any costs to submitters/reporting companies should be controlled to be proportionate (bearing in mind that the ESAP would effectively be operating on a monopoly basis), but ESAP content should be free to view.

Regarding PR information specifically, the response fully agreed on immediate inclusion within ESAP scope and commented on basic submission labels/search criteria: (i) “prospectus”, “base prospectus”, “supplement”, “final terms” as document type, (ii) issuer name, (iii) issuer LEI, (iv) ISIN (except for base prospectuses and related supplements) and (v) document date. In this respect, the response again cited the *Finding Prospectus Information Online* article from pages 40-41 of the [Third Quarter 2020 edition](#) of this Quarterly Report. The response also noted that individual exchange-regulated markets should be able to opt in to the ESAP in relation to PR-like information arising in the context of their own admissions to trading.

It is however possible that PR information might not be treated as a first priority for the ESAP as, unlike information under other regimes, there is already a database in existence: ESMA's [prospectus register](#). Its search criteria are stated to include issuer name (in full or in part), issuer LEI and ISIN. However, the register webpage states that “in the current release of the prospectus register, it is only possible to search for final terms and translations of summaries using the “host Member State(s)” as a search criterion” and that “it may not be possible to search for the final terms submitted by some competent authorities [that] are still working on adopting their systems to submit final terms to the new prospectus register.” This may change (as reported in the [Fourth Quarter 2020 edition](#) of this Quarterly Report) as NCA obligations to provide certain prospectus-related data to ESMA in XML² format (under Article 12 and Annex VII of [Commission Delegated Regulation \(EU\) 2019/979](#)) are passed through to issuers.

Regarding the other EU regimes cited above, the response:

- TD – somewhat agreed on later inclusion, to the extent ESAP submission formally constitutes “public availability”;
- NFRD – fully agreed on inclusion, citing ICMA's 15 July 2020 [response](#) to the Commission's consultation on the Renewed Sustainable Finance Strategy;
- MAR – somewhat agreed on later inclusion, to the extent ESAP submission formally constitutes “public availability”;
- PRIIPs – somewhat disagreed on inclusion, noting it may be prudent to await the outcome of the pending PRIIPs regime review given public comment on the risk of such documents being misleading;
- SFTR – somewhat disagreed on inclusion, noting public data is already made available in a standardised and centralised way by the trade repositories; and
- SFDR – somewhat disagreed on inclusion, noting (i) the performance of financial market participants against KPIs are not relevant to investors as they invest via financial products and not directly in financial market participants (if and when they do, NFRD is there to provide the necessary information) and (ii) KPIs are backward-looking and give no sense of direction of travel to investors.

ICMA will continue to engage on the ESAP topic as it develops.



Contact: Ruari Ewing
ruari.ewing@icmagroup.org

1. eXtensible Business Reporting Language.

2. eXtensible Mark-up Language.