

FESE views on proposal for an EU Single Access Point

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1. Recent developments

In the US, all companies are required to file registration statements, periodic reports, and other forms electronically through the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) which is an online public database run by the US Securities and Exchange Commission (SEC). Anyone can access and download this information for free. In the context of the CMU High-Level Forum (HLF) a proposal for creating a similar European harmonised data repository of company reporting, potentially to be run by ESMA, has been discussed. This has been referred to as an EU Single Access Point.

In 2019, the Next CMU Group recommended to accelerate the European Electronic Access Point project (EEAP), under the Transparency Directive, and indicated that to reach the same US EDGAR system, the EEAP activities and funding should be stepped up. Additional IT investments would be needed to ensure efficient access to company reporting across the EU and favour pan-European investor interest and that such EU-wide facilities should be expanded to information disclosed by SME companies listed on SME Growth Markets¹. The European IPO Task Force endorsed this recommendation.

Something similar to a US EDGAR does not currently exist at EU level. However, as mentioned above, under the Transparency Directive, there is work ongoing to create an “access point” for financial reports from listed companies supported by machine-readable information provided by issuers.

In the context of the discussions in the HLF, some concerns have been brought up, notably in relation to the lack of standardisations of information and definitions across Member States but also in terms of language. Discussions are also ongoing regarding which entity would host a potential initiative, whether this would be ESMA directly or whether national databases would upload to a European entity. In addition, there is debate about the scope and whether it should apply to listed companies only or also non-listed companies.

2. FESE views

FESE supports measures facilitating sharing of company information, provision of information to investors, and that give companies visibility on a European basis. By facilitating access to information about companies in other Member States or regions, more cross-border investments could potentially be encouraged.

While the idea for an EU Single Access Point is relatively new, other similar projects already exists. Notably the European Financial Transparency Gateway (EFTG) project (more information available [here](#)) where Officially Appointed Mechanisms that handle the financial documents received from European companies have worked on a more advanced EEAP system over the past two years. There is also work ongoing to create a European business

¹ SME Growth Markets regulatory framework available [here](#).

register. Ideally, an inventory of ongoing projects should take place to get a better overview and merge those projects that have similar objectives before pursuing a new project.

2.1 Governance

In terms of approach, we suggest that a federal model would be best whereby ESMA maintains the central database but the information is still filed locally and flows through to the ESMA database. This way ESMA can set the requirements for reporting to become more standardised so that the data can easily flow through to the central database, while ensuring the local NCAs continue to be involved which is important for the local ecosystem. The responsibility for ensuring the new requirements are complied with should be made clear.

In view of fostering supervisory convergence and genuinely integrated capital markets, FESE considers that ESMA should be entrusted with supervision and maintenance of such a database. However, supervision of reporting requirements should be performed by the respective NCAs. Different or even conflicting supervisory practices overall constitute barriers to cross-border operations and do not accelerate market integration.

2.2 Scope

FESE considers that an EU Single Access Point should include information disclosed by companies listed on Regulated Markets and SME Growth Markets (SME GMs). The Single Access Point would facilitate access and availability of data about companies and as such serve as a basis for investors' assessments, potentially informing their decisions. SMEs would benefit from pooling the information they disclose at a one-stop shop: The SMEs' visibility would be increased and barriers to access capital reduced, overall ensuring and increasing their competitiveness. A Single Access Point could also serve as a starting point for the establishment of a European database for SME-research.

To increase integration but keep the project, efficient and manageable in terms of administrative burden of data processing, the scope should be limited to disclosures stemming from the Transparency Directive or, in the case of issuers on SME GMs, the relevant disclosure documentation required. Should it extend to other requirements, it is important to consider that, depending on how it is implemented, this may introduce considerable extra costs for listed companies compared to non-listed ones as many reporting obligations do not apply to private companies and this would be a concern.

2.3 Proportionality

It will be important to ensure that any reporting requirement targets information that is useful. This is key to ensure there is an added value and that new reporting requirements do not simply come on top of currently existing ones but rather replace requirements currently in place i.e. to avoid gold plating, as we want to avoid any unnecessary additional costs. In parallel to establishing a Single Access Point, the Commission should take this opportunity to clarify certain disclosure requirements. The costs linked to a lack of clarity in the regulation should not be underestimated as risk averse issuers (in particular SMEs) will consider the regulatory risks in choosing their financing options.

Moreover, while some harmonisation of information may be required, this should be done in a proportional manner that does not negatively impact issuers, in general, and SMEs, in particular, that may lack resources to report according to certain standards. It should therefore be considered that there is value added in pooling information in one place, even where the information may not be exactly the same. There will need to be a differentiation between SME GM and Regulated Market issuers, where, while they are both required to disclose similar information, they are still subject to different requirements. We would not support issuers on SME GMs being subject to the same requirements as issuers on Regulated Markets under the Transparency Directive. The approach therefore needs to be tailored to the different markets