

## **General remarks by the Ministry of Finance of The Netherlands**

Consultation about the establishment of a European Single Access Point (ESAP) for financial and non-financial information publicly disclosed by companies

o o o

In our view, one of the key issues that the CMU addresses is facilitating companies' access to capital markets. European companies seeking funding to invest, especially small- and medium-sized enterprises, are still mostly dependent on bank credit. This can hinder swift economic recovery as shown by the financial crisis, when a lack of bank credit hindered companies' investments in for instance innovation. Moreover, certain activities and company structures are more suited for equity funding and other forms of market finance. For example, innovative technology-based start- and scale-ups with limited collateral and irregular cash flows.

In order to improve the access to capital markets for companies that seek funding, it is crucial that they are visible to a broad range of investors (banks and alternative finance providers), both on financial and non-financial matters. Therefore, we support the notion of setting up a European Single Access Point with the goal to make company information more easily available. Creating one platform that allows for easy access to a broad range of company data is a challenge. In our view, there are a few guiding principles that must be taken into account going forward that will contribute to the success of the ESAP.

Firstly, the ESAP should in our view build on existing data from national registers for company information and on European initiatives such as Business Registers Interconnection Systems (BRIS)<sup>1</sup> and European Business Register. A duplication of effort and fragmentation of data should be prevented. In line with this, the 'filing once principle' should be adhered to so that the burden for companies is limited. Moreover, ESAP should take into account Regulation (2016/679) on General Data Protection.

Secondly, a step-by-step approach is key to building up the ESAP. In order to gain experience and foster trust in the ESAP, we argue that it would be most appropriate to start small and build from there. As the High Level Forum already set out in their report, a good starting point would be to first focus on information publicly disclosed by companies with securities listed on EU Regulated Markets pursuant to securities markets legislation including for example the Transparency Directive.

Thirdly, it is to be determined by the directive or regulation requiring the submission of company data, and not by the legislation regarding the ESAP itself, whether company data should be voluntarily or compulsory transmitted to the ESAP. ESAP is first and foremost a platform. Voluntariness of transmittance of data is important to take as a general starting point. In line with a step-by-step approach it could be envisaged that (also non-listed) companies that want to attract external investments should be able to have their company information transmitted to the ESAP on a voluntary basis. In our view, most benefits from the ESAP are likely to be gained by small and medium sized enterprises amongst which start- and scale-ups.

In the future, the scope of data accessible through the ESAP can be gradually broadened with other types of data such as environmental, social and governance (ESG) data. The ESAP can promote, in our view, sustainable behaviour by companies by allowing companies to submit non-financial data, such as ESG data. In light of the review of the Non-Financial Reporting Directive, we support moving towards more standardization of reporting frameworks in order to increase transparency and (international) comparability between companies. The ESAP can make this non-financial information easily accessible and therefore increase transparency and comparability even further. As a result, stakeholders will be better equipped to hold organisations accountable for their performance on non-financial matters. Also for non-financial types of data, it is to be determined by the directive or

---

1

<https://ec.europa.eu/cefdigital/wiki/display/CEFDIGITAL/2017/09/19/Business+Register+Interconnection+System>

regulation requiring the submission of company data, and not by the legislation regarding the ESAP itself, whether these data should be voluntarily or compulsory transmitted to the ESAP.

Fourthly, in our view, the ESAP itself should not include requirements on data validation and/or data formats. If deemed necessary requirements on validation and formats should be included in the legislation that imposes the reporting requirement, as well as the requirement to submit this data to ESAP. This ensures that no additional reporting and filing burdens arise. When legislation is reviewed, one could assess whether certain requirements (such as standards and formats) are amended, taking into account whether this will benefit adding those data to the ESAP.

Lastly, we argue that the costs of access to the ESAP should be proportional. Both for submitters and users.

° ° °