



To all listed companies on Oslo Børs

OUR REFERENCE 22/10399	YOUR REFERENCE	DATE 23.09.2022
----------------------------------	-----------------------	---------------------------

Deficiencies in ESEF and the publication and storage of annual reports and audit reports

The Financial Supervisory Authority of Norway (Finanstilsynet) has carried out a review of companies' financial reporting in terms of the requirements of the European Single Electronic Format (ESEF), and the requirements for publication and storage of annual reports and audit reports with the officially appointed mechanism (OAM)¹.

Finanstilsynet has observed deficiencies in reporting in accordance with ESEF, and in the publication and storage of annual reports and audit reports.

Finanstilsynet expects companies to review their financial reporting and ensure compliance with the relevant requirements, and to correct any deficiencies.

Requirements

Annual reports for 2021 shall be prepared according to the new requirements for electronic reporting in the Securities Trading Act § 5-5 (8), and the Regulations to the Securities Trading Act § 5-13 (ESEF). These new requirements mean that issuers within the scope of the Securities Trading Act § 5-4 shall prepare the entire annual report in XHTML format. Finanstilsynet emphasizes that an annual report in pdf format does not meet the requirements of the Securities Trading Act § 5-5. Further, if annual reports contain IFRS consolidated financial statements, these financial statements shall be tagged². Annual reports shall be made public and stored with the OAM in accordance with the Securities Trading Act § 5-12 (1). In addition, audit reports shall be made public in their entirety together with the annual report in accordance with the Securities Trading Act § 5-5 (4). Finanstilsynet emphasizes that it should be clearly stated which annual report (that is, which document) is confirmed in the audit report.

Observations

Finanstilsynet has observed deficiencies in the annual reports for 2021 for a significant number of companies, including the following:

- The annual report containing tagging in accordance with ESEF has not been made public and stored with the OAM.

¹ Norway's officially appointed mechanism (OAM) is the Oslo Stock Exchange via <https://newsweb.oslobors.no/>

² <https://www.finanstilsynet.no/nyhetsarkiv/nyheter/2021/krav-om-elektronisk-rapporteringsformat-for-noterte-foretak-esef/>

- The annual report in XHTML format in accordance with ESEF has not been made public and stored with the OAM.
- The audit report has not been made public and stored together with the annual report with the OAM.
- The annual report in XHTML format that has been made public and stored with the OAM cannot be opened.
- The audit report does not confirm the tagging in accordance with ESEF in the IFRS consolidated financial statements.
- The annual report has been made public and stored with the OAM both in XHTML format without the audit report, and in pdf format with the audit report. As specified above, it should be clearly stated which annual report is confirmed in the audit report.
- The audit report does not refer to the correct file name of the annual report.
- Furthermore, various errors have been observed in the annual report which has been made public and stored in XHTML format, for example:
 - The annual report contains the audit report from the previous year.
 - The annual report in XHTML format is not the same as the annual report in pdf format.
 - The first page containing the conclusion of the audit report is missing.
 - The audit report is illegible.

Furthermore, Finanstilsynet notes that several issuers have publicised and stored the annual report more than once and/or in different file formats with the OAM without sufficient explanation. This can lead to uncertainty about what constitutes the company's official audited annual report. Finanstilsynet reminds issuers that for those who are required to publicise their annual report in accordance with ESEF, it is the annual report in XHTML format which is subject to Finanstilsynet's control. Finanstilsynet also controls the tagging according to ESEF, if the company prepares IFRS consolidated financial statements.

Finanstilsynet notes that a significant number of companies did not comply with the requirements of ESEF and the requirements for publication and storage of annual reports for 2021. Finanstilsynet expects that these requirements will be complied with and that the companies that did not comply with the requirements for the 2021 annual report will subsequently ensure that any deficiencies are corrected.

On behalf of Finanstilsynet

Anne Merethe Bellamy
Deputy Director General

Lars Jacob Braarud
Head of Section

The document is approved electronically and therefore does not have handwritten signatures.