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COMMISSION STAFF WORKING DOCUMENT

EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

Accompanying the documents

**Proposal for a Regulation of the European Parliament and of the Council
establishing a European single access point providing centralised access to publicly
available information of relevance to financial services, capital markets and
sustainability**

**Proposal for a Regulation of the European Parliament and of the Council
amending certain Regulations as regards the establishment and functioning of the
European single access point**

**Proposal for a Directive of the European Parliament and of the Council
amending certain Directives as regards the establishment and functioning of the
European single access point**

{COM(2021) 723 final} - {SEC(2021) 572 final} - {SWD(2021) 344 final} -
{COM(2021) 724 final} - {COM(2021) 725 final}

Executive Summary Sheet

Impact assessment report accompanying the document proposal on the European Single Access Point

A. Need for action

Why? What is the problem being addressed?

In order to make sound investment decisions, investors in capital markets must have access to and be able to digitally use the information that entities must publish under EU law (financial and sustainability-related, product-related, etc.). Nowadays, access to this information is scattered across Member States and hardly digitally useable. Other barriers include the language barrier, but also restrictive terms of use. This makes it costly for users of corporate and product information to search, use and analyse the relevant information. This contribute to less efficient and integrated EU financial services and hinders sustainable growth.

What is this initiative expected to achieve?

The establishment of a European Single Access Point (ESAP) was announced in the Commission's Capital Markets Union (CMU) Action Plan in September 2020. It aims to reduce barriers to access to information by digital means. It will increase the flows of information within the Union, including across borders. It also aims to foster the digital use and re-use of information. These achievements on information flows and use will in turn contribute to integrating financial services and capital markets and to better allocate capital. As a common data space, the ESAP will also enable the development of new technologies and services for instance based on automation or artificial intelligence.

What is the value added of action at the EU level?

The objective of this initiative (i.e. integrating databases and information across the union and making them digitally usable) cannot be sufficiently achieved by the Member States individually. Currently, most of the rules pertaining to the channels and formats of disclosure of corporate reporting information are set out by Member States' legislation. Considering the scale and the effects of establishing a European single access point, addressing these issues can be more efficiently achieved at Union level.

B. Solutions

What legislative and non-legislative policy options have been considered? Is there a preferred choice or not? Why?

Several legislative and non-legislative options were explored, leading to the following preferred options on five key dimensions:

- Scope: the scope of the information accessible via the ESAP will include all entity, product and other relevant information published by entities under the scope of the EU financial services legislation, with a phased approach from 2024 till 2026;
- Formats: the ESAP will accept information/documents prepared in an open and widely used data extractable format, and enable the further development of machine readable formats in the long run, on a case by case basis, together with common minimum set of metadata;
- Collection points: the collection of information will be organised on a decentralised basis, building on existing national bodies such as the Officially Appointed Mechanisms, or EU bodies such as the European Supervisory Authorities. All the collection points will enable the ESAP to access that information via application programming interfaces;
- Open data: the ESAP will foster an open data policy based on open terms of use fully enabling re-use, free access to information and widely used open formats;
- Governance: the ESAP will be governed by the European Securities and Markets Authority (ESMA).

Who supports which option?
The ESAP has wide-spread support across all key stakeholder groups. As regards the design and set-up, most respondents to the targeted consultation and participants to e-workshops were in favour of having a broad scope of publicly disclosed financial and sustainability-related information easily accessible and machine-readable in a centralised manner. Users of this information demand good quality of the data and further digitised data to enable their electronic use. As regards governance, a majority supported a public body in charge of ESAP, whilst many also supported further involvement of the private sector in the governance.
C. Impacts of the preferred option
What are the benefits of the preferred option (if any, otherwise main ones)?
The ESAP will enhance the circulation of information, both within the Member States and across borders. It will increase the digital use of this information. This will bring higher, equal and indiscriminate visibility of any market participants and voluntary filer to investors, analysts, intermediaries, researchers or funds, independently of their own size or the size of their market. This will open up funding opportunities and contribute to a better allocation and lower cost of capital as well as more resilience of the internal market. ESAP will offer easy access to a wider array of information in a timely and efficient manner, thus opening new horizons. Users will also save time and resources for searching and processing information. The ESAP will help address a growing need for sustainability-related data by companies, thus contributing to the objectives of sustainable finance and the Green Deal. The ESAP will enable the offer of innovative services in the financial area based on analytics, big data or artificial intelligence / machine learning, and as well access and use on electronic devices.
What are the costs of the preferred option (if any, otherwise main ones)?
The total costs for the implementation (infrastructure) and operation of the ESAP by ESMA over 2022 to 2027 will amount up to EUR 16 million. The costs for the interconnection of the EU/national collection points with the ESAP are estimated to be around EUR 50 800 per collection body and EUR 3.1 million collectively (one-off), while recurring costs would be around EUR 6 500 per collection body and around EUR 0.4 million collectively. For data preparers in the scope of the ESAP, one-off costs (e.g. registration with a collection body) should be negligible but the annual recurring costs for filing, acquiring a legal entity identifier, the digital certificate and the signing tool are estimated up to EUR 800 at individual level and around EUR 121 million at EU collective level.
How will businesses, SMEs and micro-enterprises be affected?
As the need for greater visibility is more prominent among SMEs (i.e. due to a lack of SME research), ESAP will permit the voluntary upload of information by non-listed entities such as SMEs, thus opening up further funding opportunities due to increased visibility, and contributing to increase their ability to expand beyond their own borders.
Will there be significant impacts on national budgets and administrations?
Funding provided to ESMA (for both administrative and operational costs) following the entry into force of the legislation, will be co-funded via the EU budget for up to 40% and by National Competent Authorities for the remaining 60%. The proposal does not prescribe the ways in which national public collection bodies would adjust their funding sources, where necessary. The Commission's TSI programme (DG REFORM) can partially fund the technical support for the implementation of the ESAP by National Competent Authorities, upon their request.
Will there be other significant impacts?
No.
D. Follow up

When will the policy be reviewed?

It is proposed to review the policy five years after entry into force, and to implement monitoring tools.