

The Consumer Voice in Europe

TARGETED CONSULTATION ON THE ESTABLISHMENT OF A EUROPEAN SINGLE ACCESS POINT (ESAP)

BEUC response



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EC register for interest representatives: identification number 9505781573-45



Co-funded by the European Union

Ref: BEUC-X-2021-021 - 12/03/2021

Why it matters to consumers

Consumers are increasingly interested in investing into sustainable investment products, including sustainable investment funds, pension products and life insurance policies. However, financial services providers offering such products and investors often struggle to have easy access to the financial and sustainability information of the companies in which they invest. Creating a European Single Access Point would make financial and sustainability-related information about companies more accessible and comparable to investors, and in turn help to support the transition towards a more resilient, low-carbon economy.

BEUC welcomes the European Commission's targeted consultation¹ on the establishment of a European Single Access Point (ESAP) for financial and non-financial information publicly disclosed by companies. As set out in the final report² of the High Level Forum on the Capital Markets Union, accessing public financial and non-financial information "can be difficult for anyone including investors," with information that is required to be disclosed by companies often published in a variety of different places. Member States have different national mechanisms for storing information about companies, all of which work in slightly different ways, and the information provided to investors is often varied in terms of scope and quality.³ Companies can have a wide-ranging impact on the climate, the environment and society at large, and investors and civil society organisations have a strong interest in being able to access such data in a single, centralised hub.

The establishment of a European Single Access Point would support the European Commission's Renewed Sustainable Finance Strategy by making sustainability information more accessible to interested stakeholders. Financial institutions and investors need access to good quality comparable and reliable Environmental, Social and Governance (ESG) data on investee companies, to take investment decisions which account for sustainability risks. Financial services institutions would in turn be able to offer more sustainable investment options to consumers, helping to steer investments towards sustainable economic activities and contributing to meeting the objectives of the European Green Deal.

BEUC would like to offer several policy recommendations for the design of a European Single Access Point to the European Commission:

The European Single Access Point should include information about a wide range of companies to be effective, including listed companies, non-listed companies and SMEs. The mandatory scope of entities disclosing information through the ESAP should be linked to the review of the NFRD. At the moment, only public interest entities with more than 500 employees (and certain balance sheet requirements) are required to include a non-financial statement in their annual report. The limited reporting scope of the NFRD means that only 6,000 of 42,000 large companies are currently required to report

¹ European Commission, Targeted Consultation on the Establishment of a European Single Access Point (ESAP), https://ec.europa.eu/info/consultations/finance-2021-european-single-access-point_en.

² European Commission, Final Report on the High Level Forum on the Capital Markets Union, https://ec.europa.eu/info/sites/info/files/business_economy_euro/growth_and_investment/documents/200610-cmu-high-level-forum-final-report_en.pdf.

³ CFA Institute, 'An Electronic Access Point for the European Single Electronic Format is Much Needed', <https://blogs.cfainstitute.org/marketintegrity/2020/01/06/an-electronic-access-point-for-the-european-single-electronic-format-is-much-needed/>.

under the NFRD.⁴ The scope of the NFRD should be significantly broadened to ensure that potential investors can get more non-financial and sustainability information about a larger number of companies to assist them in their investment decisions. BEUC believes that voluntary disclosures by companies outside the scope of the NFRD should also be permitted, provided that reported information is sufficiently verified and that transparency as regards to their voluntary basis is provided to prospective investors.

The European Single Access Point should be publicly accessible to all EU citizens and should be free of charge at the point of use for users who wish to access the data and would ideally be publicly funded. Stakeholders such as civil society organisations and retail investors will have limited resources to be able to pay for access to such information. This information is necessary for civil society organisations, investors and others to effectively hold companies to account for their impacts on society and the environment. Lack of such information in turn creates an accountability deficit and can undermine trust in companies and in the social market economy.

The scope of the disclosures provided through the future ESAP should be as broad as possible. In particular, BEUC recommends the inclusion of relevant disclosures under the Non-Financial Reporting Directive (NFRD), the EU Taxonomy Regulation and the Sustainable Finance Disclosure Regulation (SFRD) as a matter of priority. Furthermore, BEUC believes that including product-related information provided in disclosure documents to retail investors should also be included in ESAP. Information (such as KID data under PRIIPs, PEPP, and UCITS) is highly relevant from an investor perspective. There is ample evidence⁵ that consumers struggle to gather independent and comparable information on the product features (including related to sustainability information) when taking investment decisions. The creation of a European Single Access Point containing complete, correct and independent information about investment products (including their sustainability alignment) could materially increase retail investors access to information on financial products⁶, and could ultimately support the development of independent web-based comparison tools for retail investors (as also recommended by the High Level Forum on the Capital Markets Union).⁷ Including product-related information into ESAP would be in line with Action 8 of the Capital Markets Union Action Plan, which aims to ensure that consumers have access to “clear and comparable product information,” including improved access to “sustainability-related information.”⁸

The scope of ESAP should be as wide as possible, in terms of the type of financial and non-financial information that should be centrally disclosed through the access point. The future ESAP should centralise all financial and non-financial information that is currently - or will soon be - required to be disclosed under EU law. This should not only include environmental information, but also relevant information on governance and social matters. The information provided in this way should be in a concise, standardised format that is easily comparable for investors.

⁴ European Coalition for Corporate Justice, ‘Assessment of the EU Directive on the disclosure of non-financial information by certain large companies’, <https://media.business-humanrights.org/media/documents/files/media/documents/eccj-assessment-eu-non-financial-reporting-may-2104.pdf>.

⁵ European Commission, ‘Study on the distribution systems of retail investment products’, https://ec.europa.eu/info/publications/180425-retail-investment-products-distribution-systems_en.

⁶ European Commission, ‘Study on options for development of online tools and services supporting retail investors in investment decisions’, <https://op.europa.eu/en/publication-detail/-/publication/74844f7c-cbc7-11ea-adf7-01aa75ed71a1/language-en/format-PDF/source-140558169>.

⁷ European Commission, ‘Final Report of the High Level Forum’, https://ec.europa.eu/info/sites/info/files/business_economy_euro/growth_and_investment/documents/20061_0-cmu-high-level-forum-final-report_en.pdf, p. 20.

⁸ European Commission, ‘Capital Markets Union Action Plan’, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM:2020:590:FIN>.

Finally, machine-readability and standardisation of data provided through ESAP is critical in order to ensure that non-financial information can be easily used by end-users. Under the Transparency Directive, companies are already required to prepare their annual reports in a European Single Electronic Format (ESEF) to make reporting easier for issuers, and facilitate the accessibility, analysis and comparability of financial information.⁹ Except for the financial statements of listed companies, the data provided by companies through their non-financial reporting is often not standardised or machine-readable, limiting its usefulness for investors. Non-financial information that is to be provided through the ESAP should be standardised, machine-readable and easily downloadable to serve as a valuable information source for potential investors. BEUC supports the recommendation¹⁰ of the High Level Forum on the Capital Markets Union for ESMA to be granted the powers and resources to develop the European Single Access Point, and that ESMA should be tasked with developing technical standards to develop the data fields and formats to ensure that public information provided through ESAP is easily accessible to users. While ESMA could play a leading role in the establishment of ESAP, involvement of all three European Supervisory Authorities (EIOPA/EBA/ESMA) should be considered, in particular if product-related information (such as KID documents and product-disclosures under SFDR) would be included within the scope of ESAP.

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⁹ European Securities and Markets Authority, 'European Single Electronic Format', <https://www.esma.europa.eu/policy-activities/corporate-disclosure/european-single-electronic-format>.

¹⁰High Level Forum on the Capital Markets Union, 'A new Vision for Europe's Capital Markets', https://ec.europa.eu/info/sites/info/files/business_economy_euro/growth_and_investment/documents/200610-cmu-high-level-forum-final-report_en.pdf.



This publication is part of an activity which has received funding under an operating grant from the European Union's Consumer Programme (2014-2020).

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